

**REPORT OF THE
JOINT LEGISLATIVE
AUDIT AND REVIEW COMMISSION ON**

**The Reorganization
of the
Department of Education**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



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Preface

Senate Joint Resolution 57 of the 1990 Session directed JLARC to review the organization and management of the Department of Education (DOE). Subsequently, a major reorganization of the department was initiated by the new Superintendent of Public Instruction, and the focus of JLARC's review shifted to the reorganization. This report contains the staff findings and recommendations from a review of the reorganization.

The reorganized DOE only began operating in March 1991. Therefore, conclusions about how well the new department will function are premature. This report is intended as a status update, and as an assessment of the formative stage of the new department, one year after the effort to reorganize was initiated.

It was apparent that DOE's prior organization was in need of revitalization. Many of the goals of the reorganization, such as reducing bureaucratic layers and increasing the provision of services, are admirable. However, the quick reorganization timetable, combined with the enormous scale of change that was attempted, has created some potentially serious management and organization problems.

Current problems are caused, in large part, by (1) a rushed reorganization process, which included a competitive hiring effort that appears excessive in scope (raising some important questions about employee protections under the Personnel Act), and (2) a lack of detailed forethought, planning, and communication about how the new organization is to function. The stress of the competitive hiring process, and the lack of clarity in management's explanations of how the new department is to work, appear to have seriously eroded employee confidence and morale in the new organization.

The new DOE is still in a process of transition, and it is understood that it will take time to rebuild employee morale and to fully develop new work practices. There are concerns, however, about some of the new operational practices the department intends to use, such as the methods for project work selection and management, and the scale of team operations. We hope that the findings and recommendations of this report will help the department make some corrections in order to successfully meet its reorganization goals.

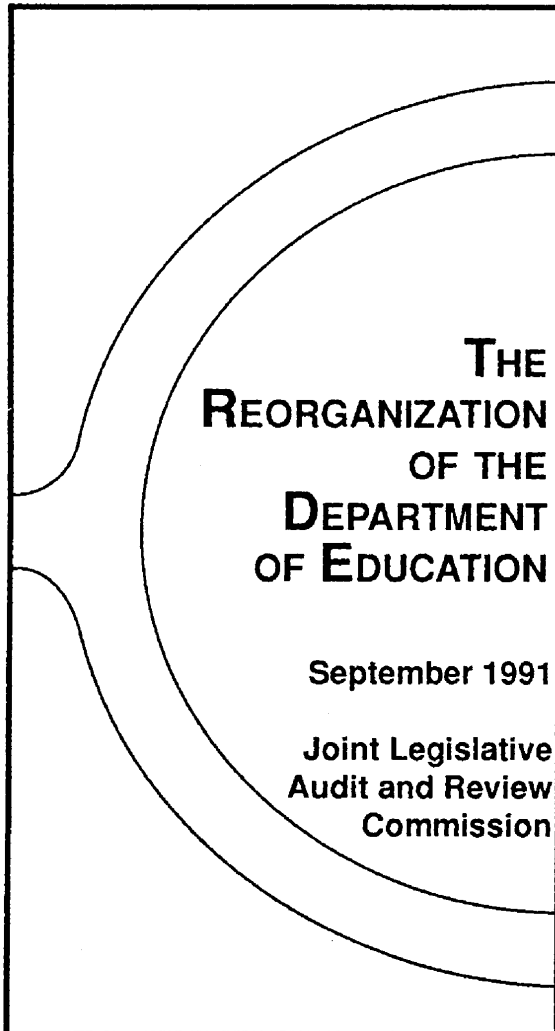
On behalf of the JLARC staff, I would like to express our appreciation for the cooperation and assistance provided by the Superintendent of Public Instruction, Dr. Joseph Spagnolo, and by the Department of Education staff during the course of this review.



Philip A. Leone
Director

September 5, 1991

JLARC Report Summary



The Virginia Department of Education (DOE) is the State agency which conducts administrative, supervisory, and assistance activities to support public elementary and secondary education in the Commonwealth. The department assists the Governor's office, the State Board of Education, and the General Assembly in meeting their policy objectives and the State's constitutional requirements. The Superintendent of Public

Instruction functions as the agency head of the department.

JLARC staff were directed by Senate Joint Resolution 57 of the 1990 Session to review the organization and management of the Department of Education. In September of 1990, the Superintendent of Public Instruction presented a major plan to reorganize the department. Because the department was to be reorganized, the focus of JLARC's review shifted to the reorganization plan and process.

The scope of the DOE reorganization is without recent precedent in Virginia State government. Of the agency's 453 classified positions, 288 (64 percent) were abolished. There were 228 new positions created, for which department employees had to apply and compete in an open recruitment process. The agency laid off 58 classified employees upon completion of the competitive hiring process. In the new organization, management initiated an effort to shift most of the department's work from performance by individual assignments to performance by multi-disciplinary project teams.

The department completed its reorganization hiring and layoff process in March 1991. This report is a review of the department's reorganization process, as well as the early stages of the new department's operations. As of the completion of this report, the department is still making the transition to its new processes and intended methods of operation. The report therefore identifies early indications of issues that the new department will need to address. It is too soon to reach conclusions about whether the reorganization will work.

There are three major findings that have resulted from JLARC's review of the reorganization. First, the competitive hiring pro-

cess used by the department hindered the reorganization and the effectiveness of agency operations after the reorganization. The process also raises concerns about the future of employee protections under State personnel policies.

Second, there are some significant concerns about DOE's new operations. These concerns include:

- low employee morale and trust in management
- an inefficient method for assignment of projects
- the complexity of team operations
- lack of an employee evaluation system
- staffing allocations
- effectiveness of the new service delivery system
- lack of overall focus and planning
- lack of information about daily operations at the department

Third, the reorganization may have implications for the educational accountability of both school divisions and the department. The department intends to focus on outcome accountability and to reduce its compliance role. The General Assembly may wish to consider the effects of these changes on the ability of the State and school divisions to meet constitutional requirements, such as the Standards of Quality (SOQ). There is also a need for the department to further define its mission, and make clearer what it intends to accomplish. These actions would allow State policy-makers to understand, respond, and possibly redirect the department's plans where necessary.

They would also allow the department to be held accountable.

Reorganization Process Not Adequately Planned

The reorganization process was not adequately planned. The reorganization involved a major competitive hiring process that traumatized employees but, in the end, brought little change to department personnel, while placing the future of employee protections in doubt. Additionally, reorganization cost savings were low.

Agency planning was inadequate to prepare for the radical changes intended. For example, the Department of Personnel and Training and the DOE human resource director were minimally involved prior to the announcement of the reorganization proposal. Consequently, DOE management was not prepared to explain the mechanism for the personnel changes to employees after the announcement of the reorganization plan. Further, the department conducted the reorganization without a complete analysis of agency functions. In fact, almost a year after the intent to reorganize was announced, the department was still in the process of completing an assessment of the former agency's functions. Moreover, the approach taken to reorganizing was a high-risk approach, as key agency work processes were not pilot-tested at the department before the changes were made agency-wide.

A related concern is the extent to which the competitive hiring process was used to reorganize. A substantial number of positions were advertised that had similar counterparts in the former organization. Also, the competitive hiring process, as well as the rationales that were offered for that process, appear to be inconsistent with the objectives of State personnel policies. These policies indicate that employees affected by a reorganization should be affected in order of

seniority. The conduct of the reorganization remained within the technical provisions of these personnel policies. However, the methodology used raises concerns about the future of public employee protections within the State personnel system.

It appears the department could and should have accomplished its reorganization objectives by creating and advertising only positions that truly represented areas of expertise for which the agency did not already have qualified employees. The extensive competitive process cost the organization substantial time and effort that could have been devoted to developing and piloting planned work processes, and communicating planned processes to employees and local school divisions. It also cost the good will of many organization employees, at least for the time being, as indicated by survey data from employees in May of 1991.

The process was highly stressful for employees. Further, the process did not result in a substantial change in the composition of personnel in the agency. Many positions were only advertised for one week. In the new organization, 89 percent of the positions of the new DOE were filled by employees of the former department.

In the end, the reorganization saved the State approximately \$530,000 or about 2.6 percent of the personnel costs of the former agency. By comparison, total compensation for the 58 laid-off employees was \$2,234,588 or approximately 11 percent of agency personnel costs. Cost savings from the layoffs and from attrition were offset to a substantial extent by factors such as the hiring of some positions from outside of the agency, salary increases to some of the employees hired back from the former DOE, and funding to establish a university consortium.

Recommendation. *The Department of Personnel and Training should develop a comprehensive policy on agency reorganizations, to require detailed implementation*

plans and more stringent criteria for what constitutes a "new" position.

Recommendation. *The General Assembly may wish to evaluate current policies related to agency-wide reclassifications of positions to ensure that such policies are comprehensive and consistent with the intent of the State Personnel Act.*

Eventual Success of New Department Still Uncertain

Although some of the changes made to the former department are supported in concept, such as increasing the use of teams to perform the work, a large degree of uncertainty exists about whether the operations of the new department will prove successful. Eight concerns have surfaced with regard to some key aspects of the new organization that require immediate management attention.

Employee Morale. The first concern involves the status of employee morale. Employee morale is an important factor for a number of reasons. Positive employee morale is important to the effectiveness of an organization, because it can affect job commitment, performance, productivity, and motivation. In contrast, poor morale over a long period of time can lead to increased turnover, absenteeism, lateness, low productivity, and low performance.

Data from DOE employees in May of 1991 indicated substantial morale problems. Only 10 percent of employees agreed with the statement that agency morale is good, and only 12 percent agreed with the statement that employee trust in management is good. Further, only 14 percent agreed with the statement that employees believe the new organizational structure will function as intended, and only 34 percent agreed that the new organization is advancing toward the objective of minimizing bureaucracy. Of approximately 250 open-ended employee comments received on the surveys, about

10 percent were essentially favorable and about 90 percent essentially unfavorable to the reorganization.

Project Selection. The second concern relates to the viability of the agency's new method for the selection of agency projects, the internal RFP (request for proposal) process. The purpose of the process is to enable department management to have control over project work selection in the agency and to stimulate the development of alternative, creative project proposals. The department's goal is to perform 75 to 80 percent of agency work through the RFP process.

However, the process is still unproven, appears inefficient, and may operate problematically on the scale the department contemplates. The process is lengthy, and can take a minimum of four to seven weeks before project development can begin. In addition, the process seems unnecessary for many mandated, technically specific, or small-scale projects. It can cause counter-productive internal competition and create duplication of effort. The financial incentive that is inherent to an external RFP concept in the private sector is lacking, so there is concern about the amount of participation on important but relatively uninteresting assignments.

Team Operations. The third concern about the reorganized department is the viability of DOE's intended approach to team operations. While multi-disciplinary team-based operations are supported for some applications, there are concerns about the complexity of managing team operations on the scale that DOE proposes. DOE has over 140 RFPs identifying potential project team work, and many more projects may be developed to handle on-going agency functions covered by the former department. It appears that management is seeking to impose upon most divisions an unproven notion that approximately 75 to 80 percent of agency work should be team-based work.

By seeking an immediate as opposed to evolutionary approach to the use of teams at the department, there are concerns that management may impose team processes upon work activities that may be more appropriate for individual assignment, and the agency may become overloaded with projects with limited ability to respond to new concerns. An agency financial accounting system to provide cost accountability at the project level has not yet been developed; and monitoring that data may be an enormous task. There are concerns that large numbers of teams may lead to poor internal agency communications, duplication in work activities, and a potential loss of the big picture. There are also concerns about the difficulty teams may have in scheduling meetings.

Employee Performance Evaluations. A fourth concern involves employee performance evaluations. Although the department intends to have a new employee evaluation system by the fall of 1991, no such system was developed or in use at the time of this review. Management has been aware of this need for many months, but gave inadequate attention to addressing the issue. Until a system is in place, employees will be involved on many different projects and work for different division chiefs, without an idea of how their overall performance will be assessed.

Staffing Allocations. There is also concern about whether the new DOE staff have been appropriately allocated across the agency. Current staffing allocations are based on rough estimates by the management team for the reorganization. There are concerns about staffing allocations, such as in vocational education, teacher certification, and clerical work. The department needs to collect time allocation records and other information necessary to provide a systematic means to measure and reassess staffing levels.

Services to Local School Divisions. The sixth concern about the new operations of the department is whether the new system for providing services to the school divisions is viable. The department has created a field service representative position to provide a link between the department and the school divisions. The field service representative is to serve as a broker of services from the department to the school divisions.

The major concern about this arrangement is whether it will be adequate. With one representative and one half-time secretary per office, it may be difficult for field representatives to be both highly accessible and spend substantial time in school visitation, as they indicate they want to do. In some of the larger regions, there is a concern that the representatives could be overwhelmed with requests. Since all other DOE staff are located in Richmond, it may be difficult for DOE staff to provide adequate support — in terms of customized, on-site assistance — in response to needs identified by the field service representatives. Travel time and costs could potentially minimize staff presence in the field or be inefficient.

Agency Planning and Priorities. The seventh concern about DOE operations is whether DOE has an appropriate method in place to guide management decision-making in selecting projects. The department plans to rely upon the submission of "IDEA" papers to determine the content of most agency work. This system means that agency work is defined on an ad-hoc basis — and not by leadership, goals, and strategy. Instead of advance planning, the department intends to let its clients and staff know what its priorities are, as well as what work will be done, on a case-by-case management review. As a result, it appears that DOE will lack a planned focus. Consequently, the department will lack a comprehensive strategy; management will not have a roadmap for decision-making; there will be

substantial potential for duplication, misallocation of resources, or the overlooking of important activities; and employee ability to understand the new DOE and to perform may be impaired.

Lack of Information. The final concern about the new DOE is the lack of information for employees about daily operations. In the May 1991 employee survey, DOE employees indicated that they understand the concepts behind the new work processes, but are uncertain as to how management expects those concepts to translate to their work, or to many of the agency's responsibilities. Reasons for a lack of clarity are that the job descriptions of the new agency are vague about the work expected; final decisions have not been made as to what and how on-going functions will be performed; the new operations have not been explained at a detailed level; and performance expectations are unclear.

JLARC staff developed several recommendations to address these concerns. The following summarize some of the major recommendations.

Recommendation. *The Department of Education should sharply curb its use of the RFP process, until a thorough analysis of the process to date has been performed to determine if and when its use is appropriate for internal agency operations.*

Recommendation. *The DOE internal audit should monitor the management of projects, team-based operations, and other daily work processes. Information should be provided to the Superintendent on an ongoing basis.*

Recommendation. *The department should immediately develop an employee performance evaluation system. The system should accommodate the uniqueness of different positions and units.*

Recommendation. *The department should develop a system for manpower planning. Staffing levels in some areas of the new organization need to be reevaluated.*

Recommendation. *After a reasonable period of time, the department should reassess and evaluate the staffing level and operations of the regional field service representative program. If the provision of customized on-site assistance in the southwest portion of the State is a problem due to travel costs, then DOE may want to consider a regional satellite office to be staffed with specialists.*

Recommendation. *Based upon an assessment of potential workload, DOE should develop clear goals, objectives and strategies for the agency and each functional (division) area and should involve DOE staff in the process.*

Recommendation. *The department should develop a detailed implementation plan explaining how the reorganized agency will operate. The plan should not just contain a vision of how the agency will function, but should include operational procedures which outline what work will be performed and how the agency will carry out all of its work and help the State meet constitutional responsibilities. The department should present a summary of this plan to the General Assembly standing committees on education before the 1992 session.*

Concerns About Education Accountability

The reorganization of the Department of Education is intended to affect the way both the department and local school divisions conduct the business of education. The changes that have been implemented or are being considered raise some issues about the accountability of school divisions and the department.

First, it is not clear whether DOE's current activities are sufficient to ensure compliance with State standards (the Standards of Quality, or SOQ, and the Standards of Accreditation, or SOA). The new department has effected a change, originally an-

nounced by the interim Superintendent, to eliminate on-site monitoring of SOQ and accreditation items. The department has reduced accreditation staffing levels, and has eliminated administrative reviews for SOQ and SOA items. The result is that to a greater degree than in the past, compliance with SOQ and SOA is largely a paper certification process, with no systematic on-site reviews by the State.

The second issue relates to the role of input standards and outcome indicators in holding school divisions accountable. The department intends to shift the focus of school division accountability to outcomes. However, while significant work has been done for and by the department on outcome indicators, a comprehensive system of outcome accountability will not be ready for several years. It is therefore premature, and may not be ultimately desirable, to phase out input standards, such as required pupil-teacher ratios.

The report of the Governor's Commission on Educational Opportunity, as well as department staff remarks to the Board of Education in the spring of 1991, supported an objective of working toward a phase-out of input standards — making inputs suggested guidelines rather than standards. In its response to this JLARC report, DOE indicates that it intends to advocate keeping those input standards that have a demonstrated relationship to outcomes (student performance). The department still needs to consider that some input standards, even if not proven to relate to outcome test scores, may be valuable for other reasons. An obvious example is pupil-teacher ratios in vocational education intended for safety reasons. The department needs to develop a balanced accountability approach.

Finally, the new DOE mission statement, calling for improving the delivery of services and increasing student learning, is still vague, and needs additional clarification if DOE is to be held accountable.

With regard to improving the delivery of services, local school division satisfaction levels will be a function of timeliness, quality, and extent of service. DOE's RFP process appears to represent a willingness of DOE management to reduce the timeliness and extent of what DOE does in exchange for work of higher quality. The department's approach to assessing its delivery of services is to examine the outcomes of its RFP projects. While this approach may address the quality of individual projects, it does not appear adequate to address the overall trade-offs that may exist between quality, timeliness, and extent of service.

With regard to increasing student learning, DOE needs a comprehensive, unified plan for explaining how it will go about meeting this part of its mission. The department still has not addressed many questions, such as: Based on a client assessment, what are the types of assistance from the new department that are most commonly needed? How much of the need for assistance can DOE meet through its resources? What are the criteria, or under what conditions (when, where, and how) will DOE provide assistance? Is the program of pilot school experiments DOE proposes a centerpiece of its plan for increasing student learning, or only one of many activities?

DOE should address these types of questions, and be held accountable for accomplishing its mission based on objective criteria and data.

Recommendation. *The Department of Education should report to the 1992 session of the General Assembly on the steps it will take to verify the self-reported local school division data submitted for the SOQ and accreditation process. The Board of Education should determine whether the department's compliance activities and capabilities are sufficient to meet its constitutional and statutory requirements.*

Recommendation. *DOE should develop a balanced and comprehensive approach to local school division accountability. The department should fully consider the relationship of inputs to outcomes, and the need to retain or increase certain input standards.*

Recommendation. *The General Assembly may wish to direct a review of the reorganized department in approximately two years, to assess items such as: (1) achievement of the department's mission, (2) local school divisions' satisfaction with the new DOE's provision of services, and (3) whether student learning is being affected by DOE activities.*

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I. Introduction

The Virginia Department of Education (DOE) conducts administrative, assistance, and supervisory activities to support public elementary and secondary education in the Commonwealth. The department has evolved since 1870 as staff support for the Superintendent of Public Instruction, who functions as the agency head for the department. The department assists the Governor's office, the State Board of Education, and the General Assembly in meeting their policy objectives and the State's constitutional requirements for public education.

JLARC staff were directed by Senate Joint Resolution 57 of the 1990 session to review the organization and management of the Department of Education. However, in September of 1990, the Superintendent of Public Instruction presented to the Board of Education a major plan to reorganize the department. Because the department was to be reorganized, the focus of JLARC's study was revised by the Commission at its September 1990 meeting. The revised study was to assess the reorganization plan and the reorganization process. This report, the fourth and final JLARC report in a series on elementary and secondary education, addresses the DOE reorganization.

DOE BEFORE THE REORGANIZATION

Within State government, there is a three-part structure to help carry out the mandate for free public education for all children — the State Board of Education, the Superintendent of Public Instruction, and the Department of Education. The department assists the Superintendent with the discharge of responsibilities assigned by the General Assembly and the Board of Education.

DOE's Prior Mission and Major Activities

While there is no general enabling statute to broadly define DOE's mission, the department developed a general mission statement of its own. A 1982 statement identified the following mission of the agency:

Under the authority of the Constitution and laws of Virginia and regulations of the Board of Education, the Department of Education shall provide leadership and supervision in the administration of a system of quality education appropriate to the needs of individual students.

DOE's budget proposal for 1990-92 provides an overview of the department's major activities prior to the reorganization. Major activities enumerated by the department included:

- distributing State funds appropriated by the General Assembly,
- providing “educational assistance to the State’s school divisions to ensure that each locality makes available... a free and appropriate education”,
- supervising “local compliance with requirements set forth in the state-mandated Standards of Quality for the public schools”,
- assisting in teacher training and preparation, licensure and recertification, and professional development,
- engaging in “numerous research activities” and administering an annual State testing program,
- establishing accreditation standards for elementary and secondary schools and providing assistance to schools in complying with these standards.

DOE’s Prior Organization

Prior to the reorganization, DOE was organized in a traditional, bureaucratic manner, consisting of a number of organizational layers. The Superintendent of Public Instruction was the head of the agency. A director of community relations, a director of internal audit, a deputy superintendent of compliance and field services, and an associate superintendent of financial and support services reported to the Superintendent of Public Instruction. The latter three senior officials headed the three major groupings of DOE’s prior organizational structure. The three major groupings were: compliance and field services, curriculum and instruction, and financial and support services. DOE’s representations of these three groupings in its previous organizational chart are shown in Figures 1, 2, and 3 respectively.

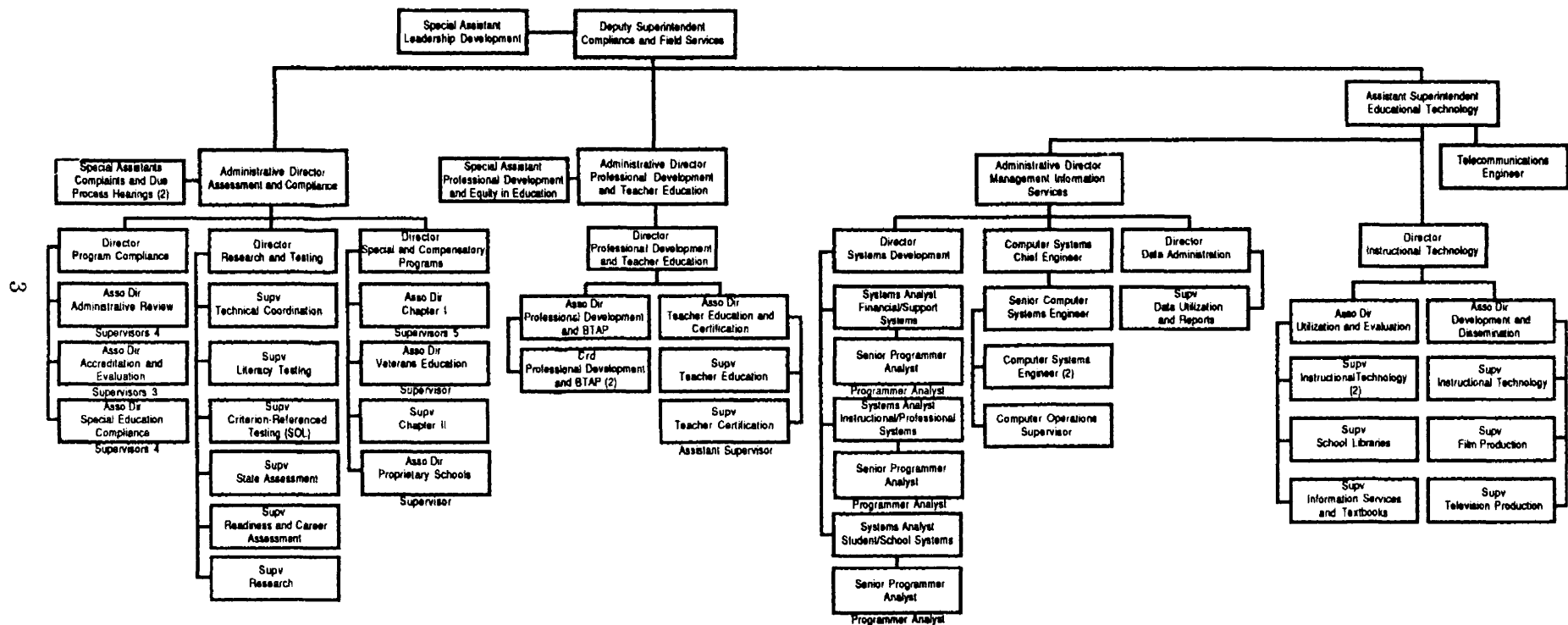
The compliance and field services grouping performed activities such as assessments of whether local school divisions were meeting standards, teacher certification, and research and testing. Curriculum and instruction, by far the largest grouping, performed activities such as technical assistance in various disciplines, and the administration of new programs or initiatives. Financial and support services consisted of units necessary to maintain DOE as an organization (budgeting, accounting, internal materiel management), and units that had both compliance and technical assistance tasks (pupil transportation, school food services).

ENVIRONMENT FOR CHANGE AT DOE

One of the factors that helped create an environment for change at the department was a consultant study by Price Waterhouse. Price Waterhouse reviewed the Board of Education and the Department of Education, and completed a report in

Figure 1

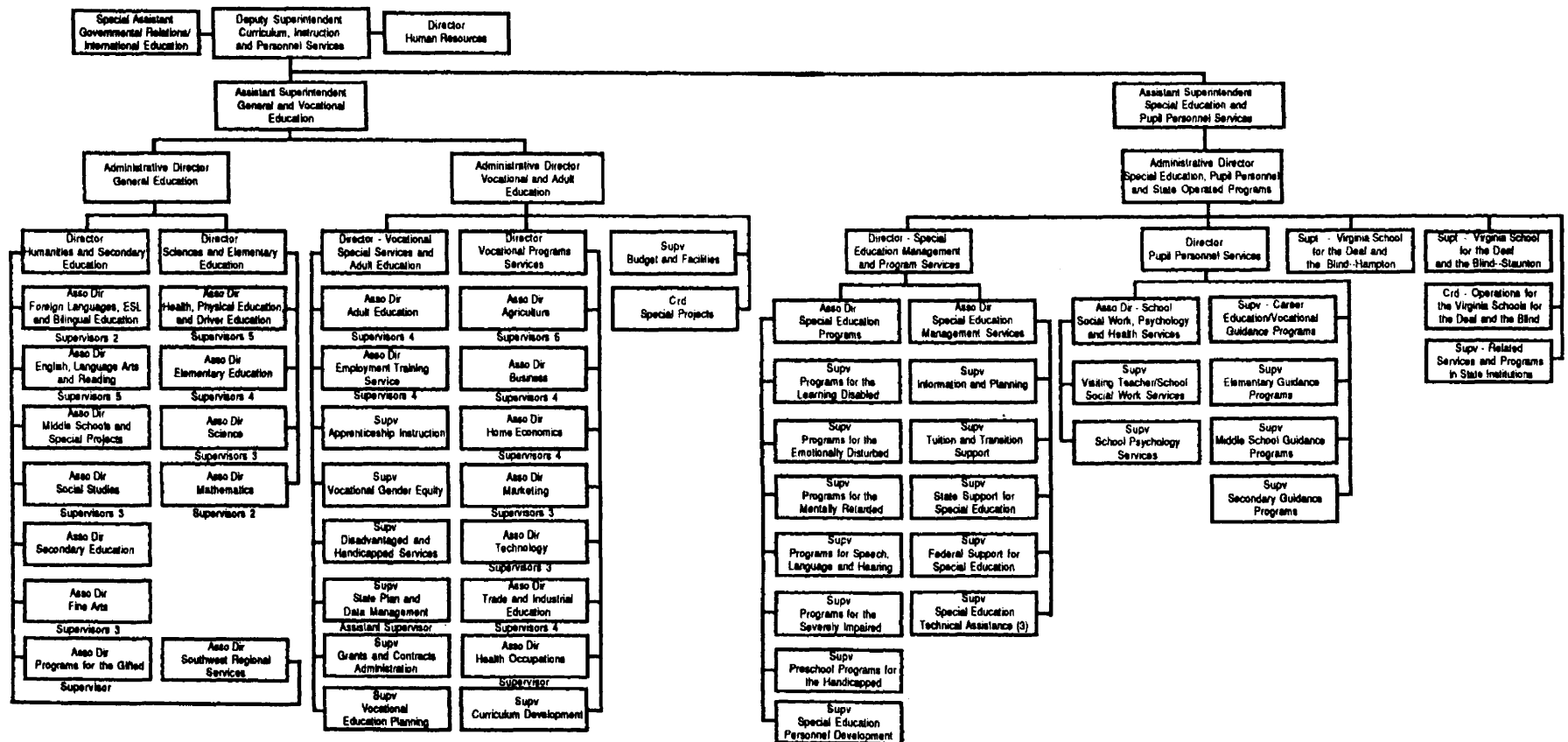
DOE Organizational Structure Prior to the Reorganization: Compliance and Field Services



Source: DOE Organizational chart, as revised in January of 1989.

Figure 2

DOE Organizational Structure Prior to the Reorganization: Curriculum, Instruction and Personnel Services



Source: DOE Organizational chart, as revised in January of 1989 (DOE graphic).

December 1989. The purpose of the study, as identified in the written report, was "to identify improved decision-making processes, management practices, and organizational frameworks." The report indicated that DOE had problems related to organizational design, technical assistance, and research capabilities, and it provided recommendations to address those problems.

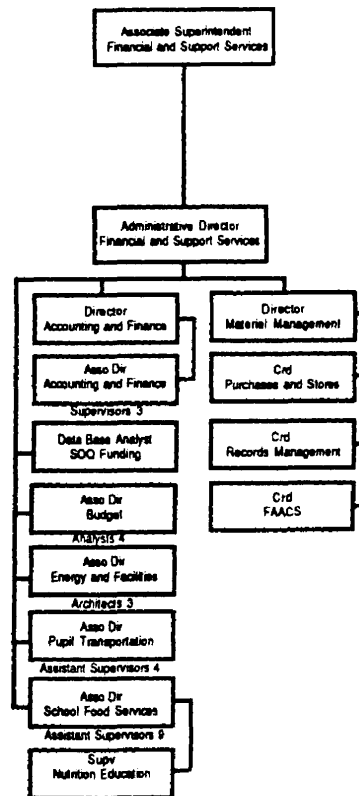
Organizational Design Problems

The Price Waterhouse study reported that DOE's structure was "highly compartmentalized," consisting of "over 140 elements for only 420 staff (excluding the department-run special schools)" and that it included "four or five intermediate levels of management." DOE's structure was seen as the result of a gradual evolution in response to changing programs or needs rather than the result of an intentional plan for the organization. Price Waterhouse also reported that there was limited delegation of responsibility to lower levels within the organization. Relatively minor matters such as travel requests and routine memoranda had to be authorized by a deputy superintendent. Recommendations by Price Waterhouse included organizing the department to support the major functions it performs, reducing the layers of management, and initiating a team approach.

Technical Assistance Needed to be Reoriented

In examining the technical assistance provided by DOE staff, Price Waterhouse noted that DOE personnel provided less on-site assistance than was needed and desired by local school divisions. This was attributed in part to the fact that supervisory personnel within DOE had made "a conscious decision ... to de-emphasize direct field

Figure 3
DOE Organizational Structure
Prior to the Reorganization:
Financial and Support Services



Source: DOE Organizational chart, as revised in January of 1989 (DOE graphic).

contact in an effort to reach a broader audience (and thus be more efficient)." Local school division personnel, however, indicated to Price Waterhouse staff that specific technical assistance provided directly to their divisions was the most beneficial assistance DOE provided.

The Price Waterhouse report concluded that more customized, on-site assistance should be provided to local school divisions. It was recommended that DOE staff coordinate and facilitate the provision of technical assistance rather than provide the assistance directly. Teams of local practitioners and experts within higher education institutions were suggested as one way this could be accomplished.

Research Capabilities Needed to be Enhanced

The Price Waterhouse study also found that DOE possessed a "very small research capability ... with respect to policy issues, 'best practices' types of information gathering, or a data collection point for use in a variety of analyses." Further, no classified staff within DOE were responsible for these functions on an ongoing basis. Thus the research conducted was highly decentralized, resulting in a need for numerous ad-hoc research efforts to answer specific questions.

The Price Waterhouse report recommended establishing planning, policy analysis, and evaluation functions within DOE. The report also noted that DOE's automated data systems capability would need to be enhanced to handle increased data needs.

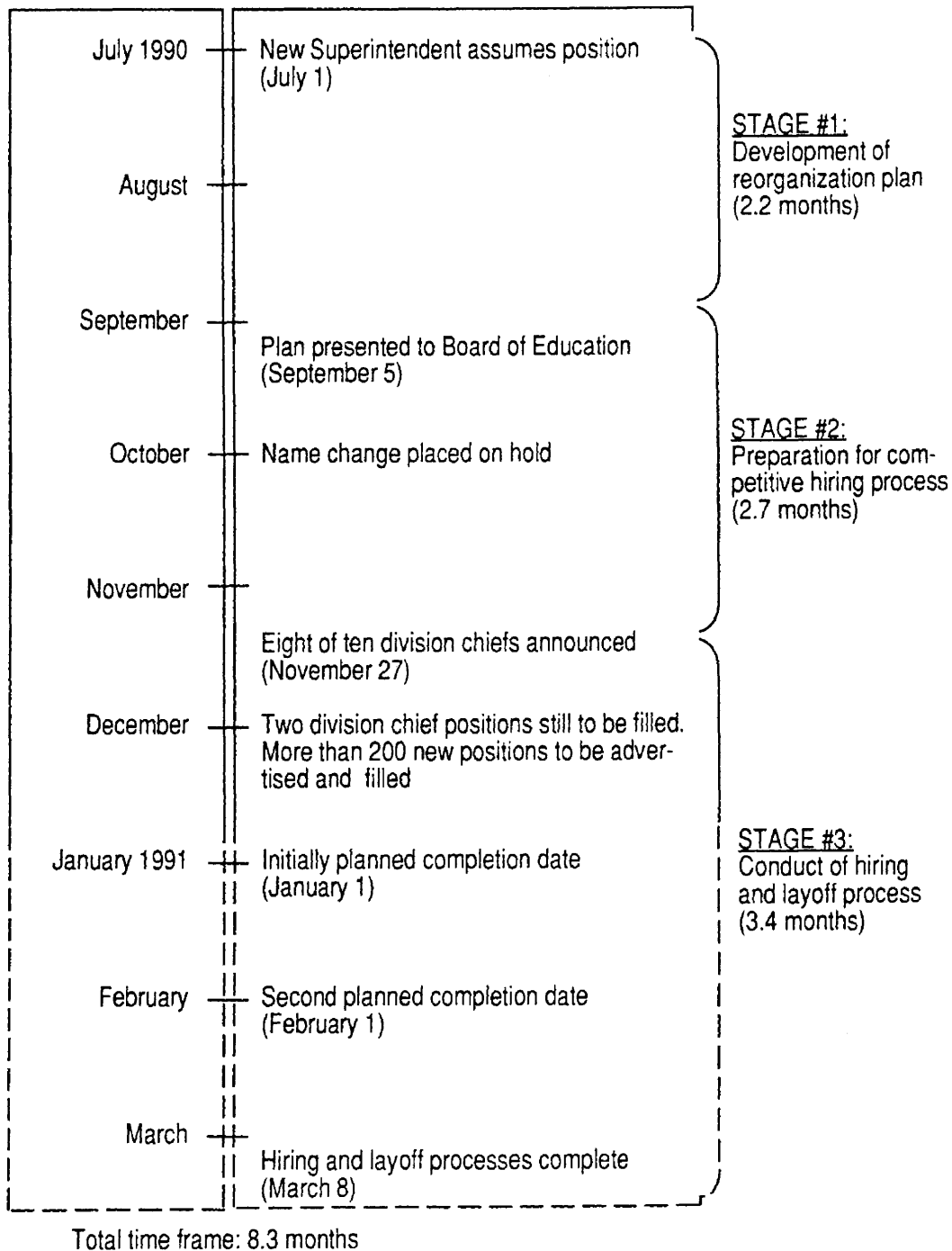
DOE'S NEW MISSION AND ORGANIZATION

The scope of the DOE reorganization is without recent precedent in Virginia State government. Of the agency's 453 classified positions, 288 (64 percent) were abolished. There were 228 new positions created, for which department employees had to apply and compete in an open recruitment process. The agency laid off 58 classified employees upon completion of the competitive hiring process. In the end, 89 percent of the employees in the new department were employees of the former department. In the new organization, management initiated an effort to shift most of the department's work from individual assignments to multi-disciplinary project teams, formed by managers who compete internally for the work.

The Superintendent of Public Instruction first presented the plan for reorganizing the Department of Education to the Board of Education on September 5, 1990, and described the plan as a "radical departure" from the previous organization. The reorganization was planned for completion by January 1, 1991, but was actually completed on March 8, 1991 (Figure 4).

Figure 4

Time Frame of the DOE Reorganization



Note: Dotted lines show events occurring past projected completion date.

Source: JLARC staff graphic.

Change in Agency Mission

The new mission statement of DOE is as follows:

All persons who are responsible for education must ensure that all children receive the learning experiences necessary for growth and adaptation in a changing world. To that end, the mission of the Department of Education in conjunction with the Board of Education, is to improve the delivery of essential education services and to increase student learning and achievement.

The intent of the new mission statement was to establish and clarify the priorities of the department. In contrast to the former mission statement, the new mission statement deemphasizes the legal and regulatory environment in which the department has operated. Also, the new mission statement uses the concepts of improving the "delivery of essential services" and increasing "student learning and achievement." The former mission statement was broader, referring to "leadership and supervision in the administration of a system of quality education."

The change in the mission statement was a reflection of the philosophy of the new Superintendent. It was the Superintendent's desire to deemphasize regulations and standards, increase service provision, and focus on improving and measuring outcomes, such as student learning and achievement. A goal of the reorganization was to better structure the department to address its new mission.

Agency Structure, Staffing, and Expertise

In the new DOE, the established chains of command consist of four levels, compared to the former DOE's agency-wide average of 6.4 (the range in the former DOE had been from four to eight). Under the new organizational design, there are four formally established levels (Superintendent, deputy superintendent, division chief, and team members), with a fifth informal level created once project teams are formed (project teams have a designated team leader, as well as team members).

Under DOE management's objectives for the reorganization, the agency's "structure" is intended to matter much less than in a traditional organization. Specifically, the deputy superintendent branches and the divisions under them are viewed by management as largely providing reporting relationships within the organization for administrative purposes. Most of the work is to be conducted by multi-disciplinary teams, the formation of which cut across structural divisions. Employees may work on several multi-disciplinary team projects, each of which may have been awarded to and may be the responsibility of different division chiefs.

Staffing levels of the new organization are also lower than in the former department. On July 1, 1991, the department's maximum employment level (MEL) permitted by law was 451, and the department had 424 filled positions. The new department will have a maximum employment level of 431, and plans to operate with 394

positions. Staffing reductions mostly occurred in administrative support (secretarial) staff and in vocational education staff. The new agency's staff expertise otherwise appears to be similar to the former DOE, except that new expertise is being added in policy development and research, as recommended by the Price Waterhouse study.

Figure 5 shows the formally established levels of the new organization. There are three deputy superintendent branches and ten division chiefs.

The Student Services branch currently houses three divisions, 87 professional staff, and 22 administrative support staff. In the Student Services branch, staff have experience in the provision of services pertaining directly to student learning. Many of the staff in this branch have specific educational program or discipline expertise. An objective of the new organization is to involve the staff of this branch heavily in on-site service provision. The three divisions in the branch are defined based on developmental stages of children: early childhood, pre-adolescent, and adolescent.

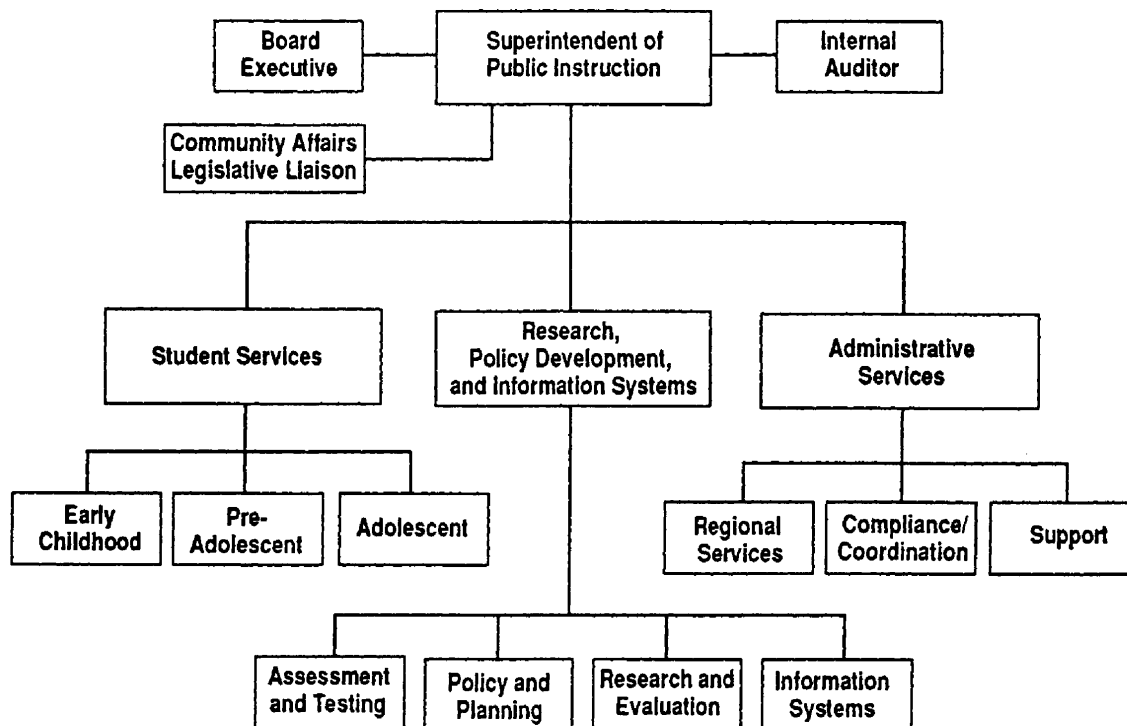
The Research, Policy Development, and Information Systems branch currently houses four divisions, 42 professional staff, and 14 administrative support staff. The branch provides the agency with its largest concentration of staff with experience in the development and use of information. Staff in this branch have experience in areas such as working with computers and automated data (the Information Systems division), conducting research (the Research and Evaluation division), developing tests to assess student learning (the Assessment division), and considering educational policy issues (the Policy and Planning division). An objective of the new organization is to utilize the staff of this branch to identify educational practices that work, so those practices can be disseminated and student learning can be improved.

The Administrative Services branch currently houses three divisions, 126 professional staff, and 32 administrative support staff. The branch provides the agency with its largest concentration of staff with experience in administrative activities, such as administering funding or checking for local compliance with federal or State regulations. Staff in this branch have expertise in several areas, such as accounting, budget, school facilities, pupil transportation, school food, regional services, and compliance issues. An objective of the new organization is to use this branch to maintain organizational administrative needs, while reducing compliance work and involving the staff of this branch more in student learning issues.

Table 1 shows the budgeted amount and proportion of staff, and budgeted personnel costs, of the Superintendent's Office, the deputy superintendent branches, and the divisions. As the table indicates, the largest proportion of staffing (41.5 percent) is in the Administrative Services branch. The second largest branch is the Student Services branch, with 30 percent of agency staff. The smallest branch is Research, Policy Development and Information Systems, with 18.8 percent of agency staff. With respect to the payment of the agency's estimated personnel costs of \$19.3 million, it is estimated that State general funds will pay for \$13.5 million (almost 70 percent), and federal funds are estimated to pay for \$5.8 million (about 30 percent). The central office operating budget for FY 1992 is \$23,265,496.

Figure 5

DOE Branches and Divisions Under the New Organization



Source: JLARC staff representation of information from the Department of Education.

Department management is currently working on dividing the functions of the agency between those which will be provided by staff on an inter-division team basis, and those which will be assigned to the staff of particular branches and divisions. The department aims to have most work carried out through inter-division team work. The following two sections describe the process for the formation of inter-division teams, and overviews some of the likely activities of DOE divisions, to be performed through project work and by divisional assignment.

Request for Proposal (RFP) and Team Processes

Early in the reorganization, the Superintendent expressed an enthusiasm for a DOE role as a consultant to school divisions. To develop a mechanism for providing

Table 1

**Budgeted Staffing and Personnel Costs
in the New Organization**

	<u>Number of Positions</u>	<u>Proportion of Positions</u>	<u>Estimated Personnel Costs*</u>
Superintendent's Office	34	8.7%	\$ 1,699,065
Student Services Branch	118	30.0%	\$ 6,211,406
- <i>Early Childhood</i>	30	7.6	1,565,532
- <i>Pre-Adolescent</i>	40	10.2	1,996,266
- <i>Adolescent</i>	48	12.2	2,649,608
Research, Policy Development and Information Systems Branch	74	18.8%	\$ 3,735,150
- <i>Research and Evaluation</i>	16	4.1	856,974
- <i>Policy and Planning</i>	15	3.8	751,333
- <i>Assessment and Testing</i>	14	3.6	759,648
- <i>Information Systems</i>	29	7.4	1,367,195
Administrative Services Branch	163	41.5%	\$ 7,561,431
- <i>Support</i>	90	22.9	3,840,823
- <i>Compliance / Coordination</i>	31	7.9	1,401,042
- <i>Regional Services</i>	23	5.9	1,341,212
- <i>Adult Education**</i>	19	4.8	978,354
Clerical Pool***	4	1.0%	\$ 106,339
Agency Totals	393	100.0%	\$19,313,391

*Includes salary and fringe benefit costs.

**Adult education staff are currently housed in the compliance/coordination division but are separately identified.

***A clerical pool of four FTEs has been created to work in areas experiencing heavy workload demands.

Source: Data from the Department of Education's Budget Office, March 1991.

consulting services, as well as for research and other project work, DOE is making adaptations from the request for proposal (RFP) approach that is typically used to obtain the help of consultants. The “RFP” in the consulting world is a written statement by a client specifically identifying the work that is needed, and requesting proposals from various consultants as to how they would conduct the work and what it would cost. The client awards a contract on a competitive basis to the consultant whose submitted proposal suits the client best, based on factors such as cost and quality.

DOE’s RFP Process. DOE’s version of an RFP process begins with an idea paper (see Figure 6). Anyone interested in generating a project that they think the department should do can write an idea paper and submit it to the department’s management. Idea papers are intended to originate from the local schools, department employees, or department management based on a perceived need. The department’s top management expects to meet weekly to review the idea papers, and vote on those which they believe should become projects based upon needs and resources available. In some cases, an idea paper will be submitted only to one deputy, who then may elect to develop it into an RFP and submit it to the management team for discussion.

Once an idea has been selected by management, an RFP is written (see Figure 7). RFPs are posted typically once a week, listing a deadline date for the response. The division chiefs typically have one to two weeks to respond to an RFP, though it may vary by project. The division chiefs compete against one another for the right to do the project through written proposals. Top management reviews the various proposals, and selects the best or most appropriate proposal.

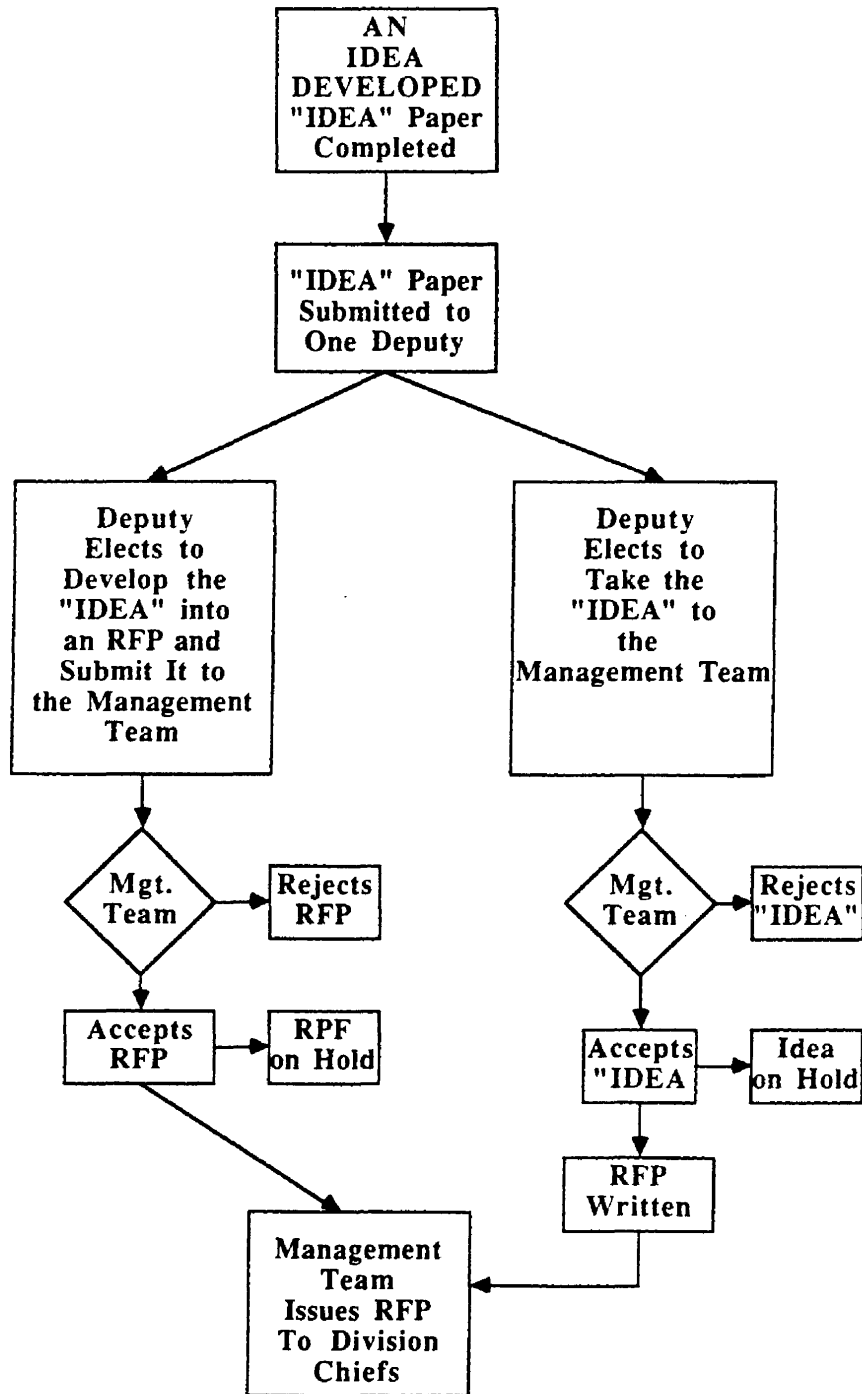
Division chiefs respond to RFPs by researching the topic area, consulting with DOE staff with expertise in the area (called a project response team in Figure 7), and writing a proposal as to how the work will be performed. A proposal is to be a concept paper, limited to two or three pages, that describes an approach to the problem. A proposal is to include items such as: a summary of the proposed approach, implementation methodology, proposed deliverables, timelines, budget, list of stakeholders, and an evaluation plan.

Management has the prerogative to negotiate modifications of an awarded RFP proposal, such as including ideas not found in the proposal which received the award. Once a proposal is accepted, the RFP process is technically complete, and project implementation begins.

The RFP process is a method for identifying the need for project work, and for forming teams to perform that work. Under the plans of DOE management, the process will be central to the management and operations of the new department. The process is intended to establish an internal system of control, whereby management can set the priorities for what, where, when, and how the resources of the department should be used. By using the RFP process, department management hopes to keep the agency focused on priority work. While the department may do fewer projects, it is expected by DOE management that the RFP process will help the department do projects of improved quality. The department hopes to be able to generate more creative responses to school

Figure 6

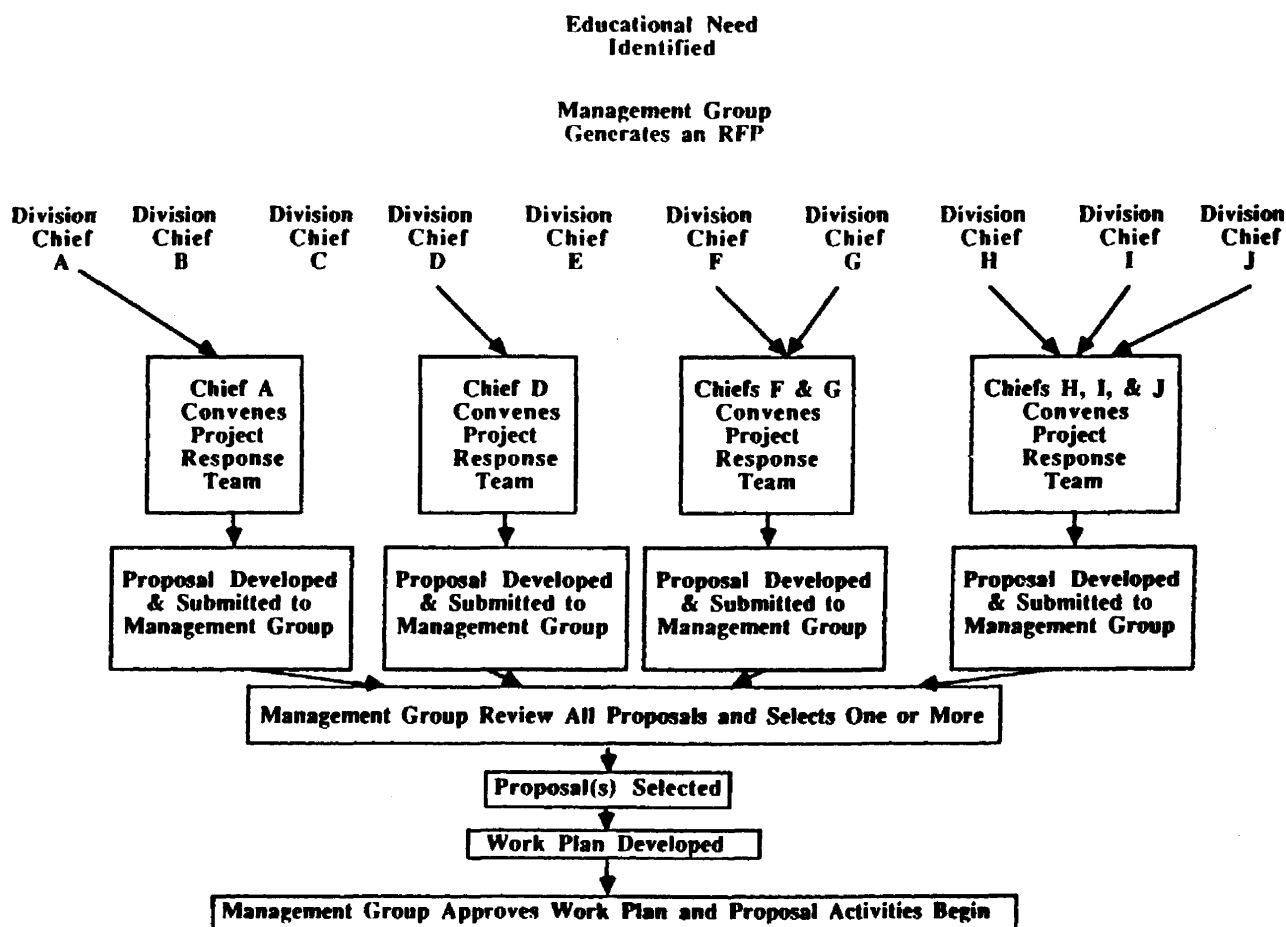
Steps Leading to a DOE Management "Request for Proposals"



Source: DOE graphic.

Figure 7

Proposal Development and Selection Process



Source: DOE Graphic.

division needs, and to enable employees through a self-selection process to participate on projects that really interest them.

DOE Team Processes. Once the RFP is awarded, the division chief awarded the RFP forms a “project implementation team.” Members of the team may come from any division in the department. Employees interested in the project may approach the division chief and request to be on the team, but selection from those who are interested is the division chief’s decision. Also, the division chiefs may recruit any staff members; however, under DOE’s plan, a staff member has the option to elect not to work on the project. A division chief may choose to recruit project participants who are outside of DOE, such as a local school specialist. For example, the project team for a study of “school

choice” was proposed to consist of six DOE employees from four different divisions (policy and planning, early childhood, regional services, and support), and a local school division representative. Team sizes may vary according to the needs and type of project.

The project implementation team initially works on a more detailed plan for how the study will be completed. According to DOE, “changes may be recommended by the management group at any time prior to final approval of the work plan and budget.” The workplan includes an identification of a team leader and the team members “who agree to make a significant contribution to the project.” Division chiefs have indicated that sometimes they may select the team leader, and in other cases may leave the decision to the team. The team leader of the project is responsible for managing the day-to-day activities outlined in the project, and keeps the division chief informed of the progress made. The degree to which division chiefs are involved in projects varies according to division chief and project. However, it is expected that teams will operate with significant autonomy.

Most division chiefs outside of the Administrative Services branch reported that they anticipate that staff in their divisions will spend at least 75 percent of the time on project team work. Using project teams that are created through the RFP process, DOE management hopes to enhance the department’s ability to gain broad, cross-cutting, interdisciplinary perspectives, and to more appropriately address local needs. DOE management also expects that the increased use of teams will encourage greater staff autonomy and responsibility.

The feature of the process in which staff may choose not to participate on a project, even if requested, is intended to allow individual employees more opportunity for self-direction, autonomy and responsibility. The department recognizes, however, that this could work to its disadvantage if there is a recurrent lack of team participation. A solution the department plans to use is including an accountability measure (of project participation) in the performance evaluation system.

Activities of DOE Divisions

Division chiefs in each of the ten DOE divisions are responsible for developing some proposals for project work, and the staff in the divisions are responsible for participating in project teams (staff can join projects led by any one of the division chiefs). In addition, DOE management is currently in the process of completing a review of agency functions, and making determinations as to how and where those functions will be performed. Functions that will be assigned to divisions are those that are routine, ongoing functions (for example, agency accounting and finance work). Other functions are to be handled through the RFP and team processes. The following discussion is about some of the likely activities of the ten DOE divisions, as indicated by the division chiefs in interviews with JLARC staff.

Early Childhood Division. The role of the early childhood division is to promote educational service for young children (generally, ages four to eight). The division chief

estimates that approximately 75 percent of the time of staff housed in the division will be performing project work, and about 25 percent will be spent on on-going functions. Examples of projects or activities that division staff might perform include developing alternatives for the education of four-year olds, working with other State agencies such as the Child Day Care Council in cooperative efforts to improve early childhood education, and performing or integrating research on what works in educating high-risk young children.

Pre-Adolescent Division. The specific role of the pre-adolescent division is to focus on services for students ages eight to thirteen. The division chief estimates the division will use the RFP process for most projects. Examples of projects or activities that the division staff might perform include developing or restructuring middle schools, or working on curriculum development for grades four through eight.

Adolescent Division. The function of the adolescent division is to participate in projects that focus on secondary schools. The division chief expects that 75 percent of their activities will be based upon project work, and 25 percent will be spent performing on-going functions. Examples of projects may include secondary curriculum development, development of special education teacher training curriculum, or any other area that involves subject matter for adolescent students.

Compliance/Coordination. The specific role of this division covers five functional areas: federal program monitoring, school accreditation, teacher education, teacher certification, and adult services. The federal program monitoring unit must work to meet U.S. Department of Education requirements, which includes periodic departmental reviews of local school divisions for compliance with federal regulations. School accreditation involves maintaining a system to monitor the State's 1,800 schools for compliance with accreditation standards, as required by State law. The teacher education area works with colleges and universities on approved training programs for teachers and administrators. Teacher certification involves the licensing of teachers as required by law. Adult services, according to the division chief, was placed in the division, but is likely to be a temporary assignment. The adult services section is under review by top management for potential placement in another agency.

The division chief hopes that 50 percent of the work performed by staff housed in the division will be spent on project work and 50 percent will be spent performing ongoing functions. However, the percentage on projects may be less, as the division performs many mandatory requirements that will be performed as on-going functions. An example of a project already awarded to this division involves the development of a teacher mentor program.

Support. The functions in the support division are varied, but the general role is to provide support services to the agency. The division's main functions involve budget, accounting, financial operations, school food service, transportation, energy and facilities, Chapter 1 and Chapter 2, and grant administration.

The division chief estimates that the accounting area will be involved 100 percent in on-going functions; budget will be involved with 75 percent on-going functions and 25 percent projects; and grant administration, school food, and Chapter 1 and 2 will be involved in 50 percent on-going functions and 50 percent projects. An example of a project already awarded to this division involves developing standards to promote the use of alternative fuels for school buses.

Regional Services. The regional services division has four main functions: the field service representative program, DOE-On-The-Line, special education technical assistance, and VSDB/State Operated Programs. The field service representative program is the largest function of this division, as well as DOE's focal point for serving the local school divisions, and is discussed in more detail in a following section.

The DOE-On-The-Line service is being developed by the department to better address information needs of the school divisions. DOE-On-The-Line offers a toll-free telephone line to school divisions and the public, which is designed to respond to requests for information. The purpose is to enable the department to provide answers to questions quickly. Requests for information may range from questions about the topics to be covered at the next State Board of Education meeting to obtaining statewide statistics on dropout rates.

The division chief described two other units in the regional services division that involve a loose confederation of programs which are regional in nature. One is a federally-funded special education unit that provides technical assistance to the school divisions upon request. The other unit focuses on State-operated programs, such as the schools for the deaf and blind.

Information Systems. The main role for the information systems division is to be a support group for the development of data for the organization. This includes developing and maintaining a data base for the organization, as well as operating a computer system for the agency. In the short-term, the division chief anticipates that about 80 percent of division staff time will be spent on on-going functions, and about 20 percent on projects. The division chief hopes that within about 18 months, the division will be performing 80 percent project work and 20 percent on-going functions.

Examples of current projects in this division are: working to develop a Local Area Network (LAN) system for the department; and implementing a data information network, known as the Communications Automation Transition System (CATS), between the department and the local school divisions.

Assessment and Testing. The specific function of the assessment and testing division is to carry-on existing mandated testing programs, such as the literacy passport test. This division also expects to be involved with the assessment component of the Standards of Learning. In the future, the division chief expects to be bidding, through the RFP process, on components of DOE's assessment/accountability system, which may include projects related to the Outcome Accountability Program.

The division chief anticipates that division staff will be working on a few large projects (teams of 10 to 12 employees). An example of a project they may be involved with is the development of a non-traditional assessment program, or other research that would involve new ways to assess students.

Policy and Planning. The functions of the policy and planning division are to focus on and perform research from the perspective of policy development and analysis. The division chief said that a unique aspect will be the link this division has to budget development. The division chief expects that most of the work in this division will be project work. Because the division is to perform current policy research, the division chief does not want to have on-going functions assigned to the division.

Examples of projects the division chief plans to be involved with are School Choice and the Extended School Year. In general, the division chief expects to bid on projects which require research on broad-based policy issues that have major implications. This division's role will be to package policy research for higher-level decision-making. The information would be available to the Board of Education, the Secretary of Education, and the General Assembly.

Research and Evaluation. At the time of this review, the research and evaluation division did not have a division chief. However, based upon discussion with the deputy superintendent and the division's position descriptions, it appears that the division will focus on developing research projects to evaluate the impact, implementation and efficiency of educational programs. Such research would require quantitative and qualitative evaluation research skills and should produce recommendations to improve educational service delivery. Additionally, this group may be involved with research strategies and techniques that could be used for evaluating the extent to which programs, policies, and procedures have advanced student learning.

Regional Field Service Representatives

The method by which regional services are provided in the new organization is dramatically different from the way regional services were provided in the former organization. In the former DOE, six regional offices existed, which varied in staff size from two to 12 positions. Staff in the former regional offices were specialists, mostly in vocational education.

Under the new organization, the former regional offices were abolished. In place of the former regional operations, ten new regions were formed by the management planning team. Ten service representative positions were established by the department to represent the new regional areas, each located on the campus of a local college or university. DOE created larger regions where it expected local needs to be less, and smaller regions where local needs are expected to be greater.

The role of the regional service representative is to broker the department's services to the school divisions, according to individual need. This involves finding and

coordinating appropriate DOE central office services, as well as services available in the community, to address those needs. According to the department, each representative will:

(1) locate resources to assess needs and develop plans for school divisions for improvement, (2) facilitate service delivery and monitor the effectiveness of and satisfaction with the services provided, and (3) work with college/university faculty and other regional representatives to identify trends and practices for research and development, coordination of services, regional purchasing and program development.

To perform these functions, regional service representatives are frequently out of their offices, meeting with school division superintendents and others to discuss school division needs. Representatives also are engaged in making contacts and networking in the community, to find other sources that can work with the school divisions to meet mutual needs.

Typically, when a school requires assistance, the regional representative identifies the problem and type of services available to address that problem. If the required assistance is relatively minimal (less than two days of work is a guide that many field service representatives report using), then the regional representative may direct the school division to the appropriate staff at the DOE central office, or the regional representative will provide the assistance directly. If the assistance required is more extensive, the regional service representative or the school division may submit a paper to the management team which will describe the need for assistance. Through the RFP process, a DOE project team may be formed to address the need. Implementation of the project may involve project team travel from Richmond to the region to provide the assistance.

It is hoped by the department that this method for delivering services to the field will provide more appropriate service to address the individual needs of schools. The intention is to create a primary contact for schools with the department (the regional representative) that can link school needs to the DOE services available to address those needs.

JLARC STUDY MANDATE, SCOPE, AND RESEARCH ACTIVITIES

Senate Joint Resolution 57, passed during the 1990 session of the General Assembly, directed a JLARC study of DOE's "organization, management, operations, and performance." The study was to be completed by November 15, 1991, with submission of recommendations to the 1992 session of the General Assembly.

Study Scope

The scope of the reorganization announced by the Superintendent of Public Instruction in September 1990 precluded the completion of a conventional organization and management review of DOE. The focus for the JLARC review was therefore modified at the direction of the Commission to concentrate on DOE's ongoing reorganization in order to suggest modifications and improvements, and to assess compliance with existing legislation.

JLARC's review of the reorganization was subsequently completed in two phases. The first phase examined the planning of the reorganization, the effect of the announcement regarding the reorganization on DOE employees, and the early efforts to implement the reorganization. A briefing of the findings from this interim review was presented in December 1990.

The second phase further examined the reorganization process, and examined the early stages of the new department. Concerns about the new department were identified, and recommendations were developed. A final briefing of this second phase of the review was presented in July 1991.

Research Activities

Numerous research activities were completed in examining the reorganization of DOE. These activities included document reviews, interviews, surveys, and analysis of data from DOE and the Department of Personnel and Training (DPT).

Document Reviews. A number of documents were examined which dealt with DOE's authority and responsibilities, its previous organization, and its plans to reorganize. The State Constitution and the *Code of Virginia* were reviewed for sections relevant to the Department of Education, the Board of Education, the Superintendent of Public Instruction, and requirements for executive reorganizations. Also, the transcript from a circuit court hearing on the legal authority for the reorganization was reviewed.

DOE's previous organization was explored through reviews of previous consultant reports, DOE internal audit reports, and DOE job descriptions. Studies examining DOE's previous operation included management consultant reports by the Department of Information Technology and the study conducted by Price Waterhouse.

Documents related to the reorganization plan included materials developed by DOE to explain the reorganization, and job descriptions approved for the new organization. A number of department bulletins and memoranda were reviewed. In addition, literature on the process of organizational change was reviewed.

Interviews. Structured interviews were conducted with DOE staff and staff in other State and local agencies. DOE staff interviewed for the study included the Superintendent of Public Instruction, the deputy superintendents, the assistant super-

intendent for public affairs and human resources, the division chiefs, the regional field service representatives, and the department training coordinator.

Face-to-face and telephone interviews were completed with staff at the Department of Personnel and Training, the Department of Employee Relations Counselors, the Attorney General's Office, the Council on Child Day Care and Early Childhood Programs, and the former Department for Children. Telephone interviews were conducted with executive staff of the Virginia Association of School Superintendents and superintendents in six randomly selected school divisions.

Mail Surveys. Two primary survey efforts were completed. The first was a survey of DOE employees, which was implemented in two phases. The first phase involved surveying 50 randomly selected employees of the department in November 1990 (prior to the reorganization). This survey solicited employee opinions about the former DOE, and the need for and implementation of the reorganization.

The survey sample was stratified into six different categories to represent personnel from each substantive branch of the organization. These branches included: (1) compliance and field services, (2) curriculum, instruction and personnel, (3) financial and support, (4) regional offices, (5) secretarial and support staff, and (6) a miscellaneous category which captured personnel from areas such as the internal audit division and community affairs. The number of personnel sampled for each strata was proportional to the number of persons employed by each substantive branch. The response rate was 88 percent.

The second phase, in May of 1991, involved a follow-up survey of the original employee survey group, and an additional group of 50 randomly selected staff from the reorganized department. The purpose of the surveys was to solicit the perspective of employees who were rehired, not rehired, or were newly hired.

The new sample of 50 randomly chosen employees was again stratified according to each of the substantive areas of the new organization. This included sampling from: (1) the student services branch, (2) administrative services, (3) research, policy development, and information systems, (4) secretarial and support staff, and (5) a miscellaneous category containing staff from areas such as the human resources staff and internal audit. The number of personnel sampled from each branch was proportional to the number of personnel hired for each branch. The overall response rate for the second phase of the survey effort was 87 percent.

The second survey effort was of 120 local school division personnel in April 1991. The survey was stratified into four groups, with the random selection of three superintendents, three general education directors, three special education directors, and three vocational education directors, in each of the ten field service regions as defined by DOE. The survey requested responses from local personnel in the following areas: assistance or services received from the "former" department; assistance or services needed most for their school or school division; whether the reorganized department will be more or less

helpful than the "former" department; and the department's compliance and accountability role. The response rate for the survey was 87 percent.

Analysis of DOE Presentations. JLARC staff attended and reviewed videotapes of large and small group meetings held by DOE to explain the concept of the reorganization to employees. Also, JLARC staff attended or reviewed written materials of DOE presentations made to audiences such as the Board of Education and legislative committees.

Analysis of Data from DOE and DPT. JLARC staff received data from DOE and DPT on the hiring process and the personnel transactions of the reorganization. Data analyzed for the study included: job description content of the former DOE (for comparison to the new DOE); DPT records of the receipt and processing of position descriptions; DOE data on advertisement dates, application deadlines, the number of applicants, the number of interviews conducted, and the dates when positions were filled; and data on DOE personnel transactions and compensation levels, used to assess the compensation cost savings of the reorganization.

REPORT ORGANIZATION

The first chapter of this report has provided a broad overview of DOE prior to the reorganization, the environment for change at DOE, and the department's new mission and organization. The second chapter reviews the process of reorganization. The chapter presents findings and recommendations related to planning for the reorganization and the effects of the major competitive hiring process.

The third chapter presents findings and recommendations related to the new DOE mission and organization, including employee morale, the management of projects, performance evaluations, staffing and workload, delivery of services to the local school divisions, and a need for a detailed plan of action. The fourth chapter discusses findings related to education accountability after the DOE reorganization. These findings concern the adequacy of DOE's planned compliance activity.

II. The Reorganization Process for the New Department

An assessment of the DOE reorganization process is important because the General Assembly and executive agencies may at some time in the future be interested in the DOE approach. Further, decisions made during this phase of the process could have lasting effects on the eventual effectiveness and efficiency of the new department. Consideration should therefore be given to what can be learned from the DOE reorganization, based on the evidence available to date.

Three findings have resulted from this review of the reorganization process. First, planning during the reorganization process was inadequate. The intended time frame for completion of the process was unrealistic, and the deadline for completion was postponed twice. In part due to inadequate advance planning, the process was poorly managed, which harmed employee morale. A detailed assessment of on-going agency functions, and whether and how those functions would be handled by the new organization, was not done before the reorganization process began, and is still not finished almost one year after the reorganization was initiated. In addition, the intended new agency work processes were never pilot-tested, and were not well-communicated. As a consequence, there is a high degree of uncertainty among department employees as to how well the new organization will work.

Second, the scope of the competitive hiring process conducted by the department appears to have been inefficient and inappropriate. DOE's deputy superintendents and division chiefs report that their time between January and March of 1991 was consumed by the hiring process. The agency reviewed more than 4,600 applications and conducted over 600 interviews. However, 82 percent of the 200 positions that were filled competitively by March 1991 were filled by employees of the former department (and 89 percent of all employees of the new agency are from the former agency). This appears to have occurred in part because many of the positions that were opened to the competitive hiring were not substantially different than positions that already existed in the former DOE. The opening of these positions raises questions about the status of employee protections under State personnel policies.

Finally, the cost savings due to the reorganization process appear to be low, despite the layoff of 58 employees. In fact, if the General Assembly had fully-funded the department's proposed university consortium, then personnel savings would have been less than \$50,000, or less than one percent, in FY 1992.

REORGANIZATION PLANNING WAS INADEQUATE

From July 1, 1990, when he assumed his position, the Superintendent of Public Instruction expected to bring radical agency-wide change to DOE in six months, allowing

two months for planning and four months for implementation. In announcing the reorganization plan on September 5, 1990, the Superintendent said:

January 1, 1991 is our target date. This means that we are going to be on a fast track in terms of peeling away the old organization and replacing it with the new.

DOE management has said that the reorganization needed to be dealt with quickly, so Board of Education initiatives could move forward. Management saw "little benefit in the alternative that would have required a year or more of costly study prior to implementation of the change." In addition, management said that "change of this type, which is always difficult, is best done quickly and done with the needs of the employees clearly kept in mind."

It appears that, in accordance with this outlook, DOE management tried to conduct the reorganization with an emphasis on speed rather than study or planning. However, the evidence shows that the department did not meet its time frame objectives, nor did it adequately plan the reorganization. DOE's use of a major competitive hiring process for many positions compromised its ability to complete the reorganization quickly. The inadequacy of reorganization planning undermined employee confidence during the reorganization, and left department management inadequately prepared to explain or initiate its new and untested work processes upon completion of the reorganization.

Planned Time Frame Was Unrealistic to Conduct Hiring Process

As part of the reorganization effort, DOE management decided to use a competitive hiring process. More than 200 positions in the new organization were defined as "new," or subject to the competitive process. Consequently, the following activities needed to be performed as the agency tried to maintain its normal functions:

- Develop five new classification descriptions and submit them to the Department of Personnel and Training (DPT) for review.
- Develop over 220 new position descriptions and submit them to DPT for review.
- Revise and re-submit position descriptions rejected by DPT, or for which DPT requested additional information.
- Fill ten top management positions (the division chiefs) so that those individuals could be involved in the remaining hiring effort.
- Advertise for over 200 new positions below the division chief level.
- Screen thousands of applications for the positions.

- Schedule and conduct hundreds of interviews.
- Make offers to successful applicants.
- Lay off staff not hired through the process.

The large scale of the hiring process meant that it was not possible to conduct the hiring process as quickly as intended. DPT provided DOE position requests a high priority, taking an average of 1.6 days to review and approve new position descriptions from the department, with 65 percent of the position descriptions being approved in one day. However, DOE's workload for the hiring effort was overwhelming. By the planned January 1, 1991, completion date, the department was only able to advertise 38 of the planned 214 positions (18 percent) below the division chief level that were open to the competitive process. None of the 214 positions below the division chief level were actually filled by that date (Figure 8).

To complete the interview process as close to schedule as possible, DOE took unusual steps such as reducing the application period for positions to one week, and conducting the hiring process on weekends. While permitted within State policy, these actions indicate that the process was completed in haste, and raises questions about the appropriateness of the schedule and the process.

Interviews with department deputy superintendents and division chiefs indicate that it was not for a lack of effort that the reorganization deadlines were not met. Almost all reported working long days, every Saturday, and most Sundays during the process. A member of DOE management indicated that the reorganization was accomplished fast but not as quickly as planned, because at some point "the ideal has to give way to the practical." Another said that what was done was "an amazing job from a workload standpoint," and that the January 1 date was probably unrealistic from the start. The comments of several division chiefs about the hiring process indicate that the pace was hectic and stressful.

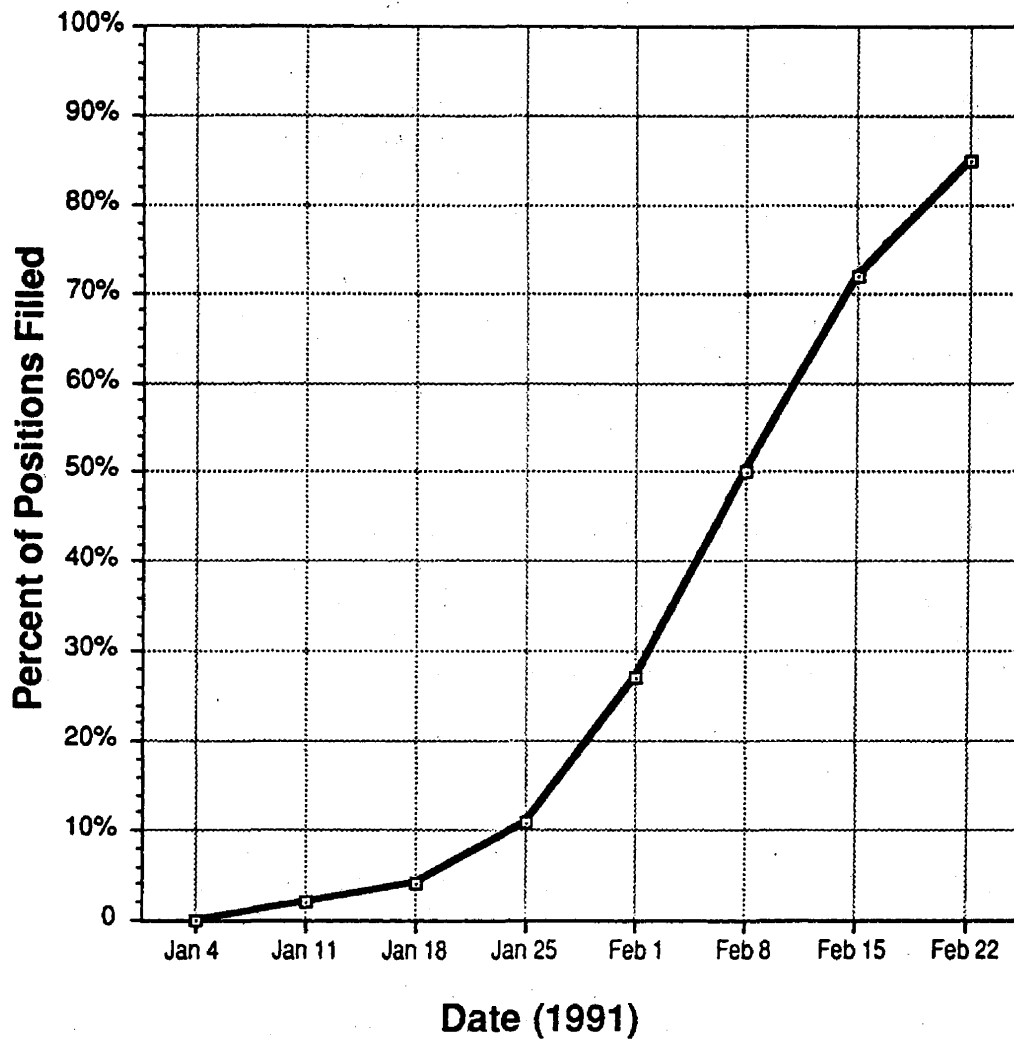
In an interview with JLARC staff in late February 1991, the Superintendent acknowledged that the reorganization took longer than expected because "frankly, it was more work than I anticipated." On the other hand, the Superintendent said that it was working with the State rules and regulations that slowed things down. The examples that the Superintendent gave, however, such as the development of the position descriptions, are reasonable components for a State hiring process and should have been considered in planning.

Management of the Reorganization Process Was Inadequate

Organizational literature notes that the outcome of an action to reduce the size of an organization can be affected by how well the process is planned and by how well employee needs are met. For example, the question has been posed in an American Management Association journal:

Figure 8

Pace of the Hiring Process for Lead, Principal, Associate, and Assistant Positions



*The lead principal, associate, and assistant classifications are the four new DOE professional classifications below the division chief level that were created and filled through the competitive hiring process. The department created 214 of these positions. The interview process for these positions began in December 1990.

Source: JLARC analysis of DOE data on the hiring process.

Why do some companies suffer from lower morale and productivity after downsizing, while others actually enjoy higher performance levels and greater job satisfaction? The answer lies, in large part, in the careful, strategic planning and skillful implementation of the downsizing program, headed by an involved, aware human resources management team. ["The Tough Test of Downsizing," *Organizational Dynamics*, Autumn 1987. Additional citations in this section are to this source.]

Some organizations, the article observes, have accomplished downsizing with "a minimum of disruption and anxiety among remaining employees." The article describes a number of elements that are considered important in the field of organizational behavior to the successful implementation of downsizing.

DOE management addressed some of these elements in the reorganization process. For example, it is considered important to communicate "bad news and the good." DOE management indicated truthfully that there was a possibility that layoffs would occur in the reorganization. There should also be communication to employees about the reorganization process, and the department should provide employee counseling, information and assistance relative to placement opportunities, and training in job search skills. DOE held meetings and provided information in these areas. In addition, rebuilding activities are important, and DOE provided some training opportunities after the reorganization was completed that many employees surveyed thought were of appropriate content and quality.

However, many elements cited as important to a good process were missing or were handled inadequately in the DOE reorganization. For example, the downsizing program should be "strategically planned and skillfully implemented," headed by the "human resources" executive or team. By contrast, DOE management involved the agency's human resources director in the process just two days before the reorganization plan was announced on September 5, 1990. Only one week before the announcement of the reorganization plan, DOE management held its first official meeting with DPT to discuss personnel issues, and DOE's human resources director was not involved.

In addition, planning decisions must be "translated adequately into tactical plans so that no issues remain unaddressed... the downsizing task force has the responsibility of deciding what to do where, when, how, and with whom." By contrast, DOE management was unprepared to answer the first question at the DOE staff meeting after the reorganization plan announcement, on the subject of the mechanism for the personnel process. The Superintendent explained that a phased bumping process would be used, but "I won't go into that because it's beyond my comprehension." The Superintendent was asked if this meant that if an employee's position were abolished, would the employee be without a job and benefits for the period of time until additional positions were advertised. The Superintendent responded that he thought the employee would be:

without a job, benefits, and salary in the interim period of time unless you occupied a position that someone else occupied in accordance with the personnel policies. Again, I don't want to go into that because I don't know.

The fact that the department was not prepared to explain in detail the mechanism by which the reorganization would be accomplished diminished management's credibility. Employees at the staff meeting, hearing the planned mechanism for the abolition of positions for the first time, suggested that a single effective date for the reorganization be considered. The Department of Employee Relations Counselors (DERC) also reports making this recommendation when the Superintendent first overviewed to them what he wanted to accomplish. Subsequent to the September 7 meeting, the department decided to have a single effective date for the reorganization, rendering obsolete the Superintendent's explanation of how the process would work.

The notification of a downsizing action "should be handled with empathy and tact." Yet in announcing the reorganization plan to the Board of Education, the Superintendent said that the old DOE had a poor image "that spills over and reflects on the Board, local school systems, and possibly the administration of State government." The Superintendent said that "people don't feel good about the department itself, or what the department does." (Results of the JLARC survey of local school personnel do not indicate that the department was held in such low regard. Moreover, the first JLARC survey of DOE personnel found that employees believed that organizational change was necessary, but that previous agency leadership was a problem). The Superintendent said that "We are going to take the department, put it in a box, wrap a bow around it, and bury it."

The effect on DOE employees was predictable. Regarding the comment made about burying the department, an employee said "that quote was devastating to employee morale." Other employees said, in general response to the Superintendent's public comments:

The attitude of leadership is that everything was wrong before they got here and nothing was worth salvaging.

* * *

[The Superintendent's] public remarks . . . imply that DOE staff is incompetent.

* * *

A total lack of respect and appreciation for the many years of dedicated service given by department personnel is totally appalling.

A downsizing should be the product of strategic planning, and decisions to "eliminate services and functions should not be reactive," but should be based on an

assessment of their worth. However, DOE undertook the reorganization without an adequate assessment of functions. During the fall of 1990, DOE management requested that DOE employees prepare an inventory of the functions they perform. Some DOE employees have reported that, coming after the decision to conduct a major competitive hiring process, this request was poorly received. It appeared to be a request from management for the functions that needed to be performed after they were gone.

A downsizing plan should "define the affected groups" of employees. However, in early September when the competitive hiring process was made known, DOE had not worked with DPT to define the positions which would be affected by the competitive process. Under State policy, the abolition and creation of positions can occur when there is "substantially more" than the gradual change of a position. DOE did not communicate to employees the positions that would therefore be affected and unaffected until October 30, 1990. On January 15, 1991, the department provided employees with a "tentative idea" of how secretarial assignments, and layoffs, based on seniority would work.

In a downsizing, the "future organization" should be well-defined, including descriptions of "the positions that will be needed (i.e., the types of jobs, the number of jobs, and the skills required)." When the reorganization "plan" was announced in September, DOE management had not established any of these items. The plan contained estimates for "at least" how many positions would be reduced, by actions such as "streamlining." A position-by-position listing of the planned new department was not provided until October 30. Most new job descriptions were not prepared until December. Therefore, employees generally did not know how the new positions would be described until shortly before the advertisement period.

A result of the lack of management preparation was that employees believed that elements of the reorganization were not thoroughly considered, and that leadership was not prepared to answer questions. To many employees, it appeared as if DOE management was uncertain about the specific plans for implementing the reorganization. Asked what was learned as a result of attending meetings held for department employees, an employee responded in November, 1990:

I/we learned that top management was/is not prepared for the questions that were asked. It's as though they're trying to form a new orchestra and the conductors know what kind of music they like to hear, but don't have a plan for new instrumentation. They appear to be making it up as they go along.

Finally, follow-up and rebuilding is critical in the period after the reorganization:

To ensure the successful continuation of the reorganization, focus now on those remaining in it The same amounts of time and effort that were spent on the actual staff reduction must now be devoted to rebuilding confidence, support, and trust

Employees need specific direction on how they are to operate in the new organization. This is critical to morale as well as to actually effecting change. As a DOE employee stated:

In order to alter the old paradigm, attitudes must change. Old folks doing old things in a new organization with different paperwork, does not define change.

There are several indications that a post-reorganization focus on employees needs did not occur. The results of the JLARC survey conducted in May, 1991 indicate that many employees do not believe that they have been adequately prepared to operate in the new organization. Upon completion of the reorganization, the Superintendent appeared to immediately focus on long-term visions of the future. In the same month as the completion of the reorganization process (March), the Superintendent was already outlining ideas to the Board of Education for "reconceptualizing" kindergarten through grade 12 education. Brown bag lunches were held "as the beginning of a debate about where we should go in education." A DOE employee stated with frustration in June, 1991:

We [management and staff] need to talk about where we [DOE] are today, and what we need to do to address our problems. You need to make sure you have the ship intact before you start going down the river.

The Components of the New Organization are Untested

The Department of Education is an essential agency of State government which leads and guides the Commonwealth's system of public education. With the Department's need to carry out State and federal laws and to effectively use and administer State and federal money, the Superintendent should have had a responsibility to show that the proposed new organization processes would work before effecting the change agency-wide. Yet the essential features of the new system, the "IDEA" papers, RFP process, and team projects, were not pilot-tested before the reorganization was conducted. Further, those essential features provide a system for managing the department that is very unfocused and ill-defined. The Superintendent believes that those processes will be more creative. However, it has not been demonstrated whether the processes will be more efficient or more effective.

Some of the new agency processes that are planned are different from those processes that DOE employees and even members of the new DOE management are experienced with. For example, the Superintendent did not use the team approach extensively in the administration of the Lynchburg school division.

Expressing enthusiasm for the new regional concept, the division chief for regional services indicated that he was aware of no prototypes for what was being done in the regions. He said that other State DOEs have regional districts, but these districts

are program-oriented. They are set up to provide specific services. He said that the concept of regional representatives as brokers is to his knowledge unique.

When the deputy superintendent most involved with the proposal for the internally competitive project award process was asked for the origin of the idea, he indicated that it was an extrapolation from the competition for contracts in the consulting world, an externally competitive process.

During the reorganization process, DOE management described the objectives of the reorganization, but explanations of how the new system would work were vague. As the reorganization was being implemented, State policy-makers, DOE employees, and local school divisions were faced with uncertainties about where the department was headed that could have been better addressed. The department could have piloted some of its planned work processes before announcing the reorganization plan. Or the department could have initiated some short-term pilot projects even as it worked on effecting the reorganization — if the overall time frame for the reorganization had been longer, or if the scope of the competitive hiring process had been reduced.

Success on a pilot basis could have helped build understanding and confidence in the process by DOE employees and local school personnel. The new work process would have become something that employees and local school personnel had experienced or observed, instead of a mysterious, and to some, a foreboding process to be imposed months in the future. Further, radical changes would not have been implemented agency-wide before their success had been demonstrated at the department on a smaller scale.

The Plan is Too Unfocused to Provide Direction

DOE's plan for the new organization has been too unfocused to enable the department to provide answers to basic questions that are of interest to employees and to school division personnel. These basic questions include: What will the new department do, and what will it not do? Who is responsible for doing what? Under what conditions will services be provided?

There are two factors that have contributed to this problem. First, the functions of the "former" agency were not systematically assessed before the reorganization process began. On June 4, 1991, a draft from management was provided to employees of those functions that management proposed would be discontinued under the new agency. An appeals process was put into place with planned completion by the end of June. Further, a draft list of department functions to be continued (and their disposition to the RFP process or division assignment) was still under deputy superintendent review and was not available to employees as of June 20, 1991, almost one year after the reorganization process began.

Second, department management wants to keep the agency as unstructured and unplanned as possible. For example, the Superintendent has told employees:

Keep in mind that the way this thing is designed, it's designed to ebb and flow. It's designed not to be static. The one thing that's consistent about it is that it is going to be inconsistent. It's going to move in a direction, take the shape of whatever mold it is in, and it's going to move toward attacking specific problems.

It appears the department does not want to have most of the work performed by assignment to employees. Rather, the department will use client "IDEA" papers and the free formation of project teams to address a high proportion of its work. As "IDEA" papers arrive throughout the year, DOE management will determine on an ad-hoc basis whether the work will be translated into an RFP. After completion of the RFP process, a team is formed to address that work.

This situation does not correspond well to meeting many needs of employees and school divisions during the organizational transition. The JLARC survey of DOE employees indicates that they have a need for much more definition of what is expected of them in the new organization. Also, school divisions have many needs for which project team formation is unnecessary. When local school division personnel were surveyed in April of 1991 and asked about what is necessary for the reorganization to work, responses included:

Communicate DOE reorganization changes to the LEA [school division] and provide information on responsibilities and roles. At present there's a lot of guessing.

* * *

Make everyone aware of who has been appointed to do what.

* * *

School divisions need to have better ideas of who provides services and what service are available.

However, the department will have difficulty in providing this information, because they are attempting to construct a system in which most roles and responsibilities are not on-going and are not attached to individuals. Concerns about whether this system will work are discussed in the next chapter.

THE SCOPE OF THE COMPETITIVE HIRING PROCESS WAS QUESTIONABLE

The reorganization of the department required changes affecting agency positions. The total number of positions agency-wide was to be reduced. Positions would be housed in a new division structure. Also, the work processes expected would be different.

To fill its created positions, DOE conducted a major competitive hiring process. During this process, over 4,600 job applications were received, and more than 600 interviews were conducted in filling 200 positions. The scope of this hiring process is questionable for two reasons. First, many of the positions advertised were similar to old positions. Second, DOE actions rendered the State layoff policy provisions inapplicable, meaning that there were few placement opportunities for employees. The reorganization raises concerns about the future of employee protections under the State personnel system.

Many of the Positions Are Similar to Old Ones

Originally, the Superintendent wanted to abolish all existing agency positions and create all new positions. The Department of Personnel and Training indicated to the department that new positions should not be created if they were not substantially different than existing positions in the former DOE. DPT's concern was based on the State's position abolishment and establishment policy, which states that:

When an agency's organizational needs dictate the necessity for changes in duties and responsibilities that reflect *substantially more than the gradual change in a position* [emphasis added], it is the policy of the Commonwealth to establish a new position

In apparent response to the State policy, DOE developed a list of 75 positions that would remain "unaffected" by the reorganization.

As DOE submitted job descriptions for DPT's review, DPT staff continued to consider the issue of whether the positions to be created were different than existing positions. However, it appears that DPT did not require very stringent criteria for justifying a position as different. For example, DPT staff expressed a concern about the division chief position for information systems, and whether that position would be different than a traditional data processing head. DOE's response was that the division chief would have to understand and work with teams and the local school divisions, and that made it different than the traditional role. DPT approved a division chief position for information systems.

To examine the issue of substantial difference in positions, JLARC staff focused on the question of the fundamental purpose of the positions, and an assessment of job descriptions was performed. Executive branch job descriptions include a statement of the chief objective of the position. JLARC staff examined the extent to which matches in objectives could be found between positions of the old DOE and the new DOE. (In some cases, the job descriptions of the new DOE contained boilerplate descriptions of the purpose, so that the first identifying work task of the job description had to be used). To focus the task, JLARC staff targeted the review on the job descriptions of professional employees of the former DOE who had been working below the director level, and who were still at the department in February of 1991.

As a result of this assessment, JLARC staff identified 88 positions that had both substantially similar stated objectives, and were filled through the competitive process with DOE employees who had performed similar roles in the old organization. The 88 positions represent 44 percent of all the professional positions filled on a competitive basis in the new DOE (and about 55 percent of all the professional positions that were filled competitively from within the agency). Exhibit 1 provides examples of some of the positions in the student services branch with similar objectives.

In some cases, the department appears to have created job descriptions that would meet DPT's approval at the expense of having a clear statement of what the position was intended to accomplish. For example, the following is the statement of the "chief objective" for a computer programmer at the associate level in the Information Systems division:

Provides complex technical expertise in a discipline or disciplines highly valued to the agency mission. As a member of interdisciplinary teams incumbents provide direct services to students, teachers and administrators in local school divisions. Performs duties as a leader for interdisciplinary teams with a division-wide focus. Leads and administers local, state, and federal projects, grants.

Given the last sentence of the description, it would appear to be a "chief objective" statement for an associate for grant administration. (In fact, it is identical to the "chief objective" listed for the new department's associate for grant administration position). Further, on the second page of the programmer job description, where work tasks are listed, the first four work tasks enumerated do not say anything about computer programming. Finally, the fifth task listed indicates that the position:

Provides technical and analytical services directly to interdisciplinary teams in the area of computer programming. Such technical and analytical skills will also be provided to the division on an on-going basis.

DPT's approval of the creation and advertisement of positions such as those shown in Exhibit 1 was, it appears, within the letter of State policy. The criteria contained in the State position abolishment and establishment policy are technical criteria that relate to differences in occupational groupings, classification levels, and salary grades. As a different classification scheme had been set up for the new DOE, it appears that the policy could have been interpreted to permit almost any position submitted in the new classifications. There are no specific criteria enumerated in the position abolishment and establishment policy pertaining to the essential purpose of the position. In challenging DOE positions on this basis, such as in the information systems area, DPT staff had to exercise their own judgement. DPT staff knew that the rapid processing of the department's position requests was a high administration priority.

In addition, a DOE justification is that the work processes of the positions are different. For example, the new positions are to work in multi-disciplinary team settings.

Examples of Similar Positions, Comparing the "Former" and New DOE

Former DOE

(627) "To provide leadership and direction in gifted education by providing technical assistance"

(579) "Ensure the development of information and the provision of technical assistance... with emphasis in programs for severely and profoundly handicapped"

(625) "To ensure the development of information and the provision of technical assistance regarding elementary school guidance"

(449) "To provide leadership, direction and technical assistance to teachers, parents, administrators...with emphasis in programs for handicapped children from birth to age 5"

(314) "To provide leadership and service to all concerned with the teaching of foreign languages"

(90) "To provide consultation and technical assistance to local school division personnel in matters of development, implementation and evaluation of science education"

(447) "To provide leadership, direction and technical assistance...with emphasis on programs for Emotionally Disturbed children and youth"

(282) "To ensure the development of information and the provision of technical assistance regarding secondary school guidance"

New DOE

(936) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of gifted education"

(921) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of severely and profoundly handicapped"

(840) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of school guidance with emphasis on young children"

(836) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of preschool handicapped"

(834) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of foreign language education"

(848) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of science education"

(857) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of special education: emotionally disturbed"

(886) "Provides highly complex technical and analytical services directly to teachers and administrators in the field of School Guidance with emphasis on adolescent education"

Source: DOE job descriptions (position description numbers are in parentheses).

While team work was done to some degree in the old department, it appeared that the new department intended to make multi-disciplinary team settings the primary work units of the new organization.

On the other hand, two questions need to be considered. First, should the core of a position description be the desired work processes, or should it be the substance or the expertise required by the position? Second, if positions such as those shown in Exhibit 1 are allowed to be opened to a competitive process when a new agency director arrives and decides on a reorganization, then employee protection and security are questionable in the State personnel system.

Each of the positions shown in Exhibit 1 appear to provide a broad range of leadership and service in the same area of educational expertise, both before and after the reorganization. Further, the qualifications and expectations for the work could not have been too substantially different, as each of the new positions shown in Exhibit 1 was filled by the same person as in the old organization.

State Layoff Policies Were Rendered Inapplicable

The State layoff policy developed by DPT provides detailed placement procedures for employees who are affected by a layoff situation. With respect to placements in vacant positions, employees must be minimally qualified for the position. With respect to placements that would displace shorter service employees, the displacing employee must have seniority and be fully qualified for the position.

DOE could have implemented the reorganization using these placement procedures. Positions that were considered unnecessary to the mission of the new agency or otherwise excessive could have been eliminated. Using the State personnel policy, senior personnel in eliminated positions could have had the opportunity to bump into lower level positions, if fully qualified for those positions. The department could have created positions for just those areas of expertise in which qualified expertise in the department did not exist, and a competitive hiring process could have been conducted to fill those positions.

What DOE did instead was to abolish the existing classification series in the agency, create new classifications and new positions, and fill the created positions. Under this option, the placement procedures of the State layoff policy are not applicable in most cases. The left column in Exhibit 2 summarizes the placement procedures of the State's policy. The right column of the exhibit shows an assessment of why the State's placement procedures were generally inapplicable to the reorganization process.

Court testimony of the DOE personnel director on January 25, 1991, illustrated the irony that as the procedures of the State policies are applied, they are found inapplicable to the reorganization. The personnel director agreed that the plaintiffs were entitled to be treated pursuant to the terms of the State layoff policy. The personnel director also agreed that in a reorganization, under State policy there are seniority

considerations that ought to be applied. To effect the policy, the personnel director said that:

At the point at which all the new positions are filled, we will take a look, starting with the most senior person, as to whether or not there are any placement options for them.

Exhibit 2

**Assessment of Employee Placement Opportunities
Under the DOE Reorganization**

Placement Opportunities <u>Based on DPT Policy</u>	Reason Not Generally Applicable Under <u>the DOE Reorganization Approach</u>
<ul style="list-style-type: none">• Place in available vacancies, same pay grade• Displace the shortest service employees in the same classification	<ul style="list-style-type: none">• Positions are filled (competitively), so vacancies are few• The reorganized department has a different set of classifications than the old department, so there is no displacement
If above placements are unavailable, then placement is to the higher of the following:	
<ul style="list-style-type: none">• Place in vacancies in the employee's former classification• Place in vacancies in the next lower classification of the series• Place in vacancies of equivalent pay grade	<ul style="list-style-type: none">• Positions are filled, classifications are new• Positions are filled, classifications are new• Positions are filled
If above placements are unavailable, then placement is to the higher of the following:	
<ul style="list-style-type: none">• Displace to the employee's former classification• Displace to lower classifications in the same classification series	<ul style="list-style-type: none">• Classifications are new• Classifications are new

Source: JLARC analysis of State layoff policy placement options.

The personnel director was asked, "if you filled all the positions, how would there be a placement option for them?" The personnel director answered that there might not be.

Of the 27 DOE professional staff who were not rehired by the department through the competitive process, placement options at DOE were available for two. Yet, the laid off employees were in a difficult situation for grieving a misapplication of the layoff policy procedures. Essentially, DOE's actions meant that in most cases, as each of the procedures is "applied," it is found to be inapplicable.

Concerns About the Future of Employee Protections

The reorganization of DOE raises concerns about the future of employee protections in the State system. It appears that many employees had to reapply for positions that were similar to the positions they already had. It also appears that a methodology was used that largely renders useless the provisions of the State layoff policy.

The initial justification for the competitive hiring process that was offered by the Superintendent was not reassuring in regard to this issue. For example, the Superintendent was asked at a September 7, 1990, staff meeting why agency positions were being filled on a competitive basis. The Superintendent said:

I have a pre-eminent disposition on this matter. All I want in every single position in the organization is the very best person that I can find on this earth. That's my rationale.

The rationale seems ironic in retrospect, considering the one week advertisement period that was afforded many of the positions. But further, the rationale would seem to be invalid, if employees are to have protections. A valid rationale would have been that there were new positions to be created that were substantially different than the positions held by current employees. At this point in the reorganization process, however, the department had not gone beyond a rough estimate of how many positions would be included in each of its branches, and specific position needs had not been determined.

Later in the process, the Superintendent offered the rationale that the competitive hiring process was the only fair way to do the reorganization. For example, the Superintendent said at the January 25, 1991, court hearing:

... we are going from eight or nine reporting levels to three; and it's problematical, in terms of advertising three levels, when you've got to shrink eight or nine into three. The only fair way, the only equitable way to do that is to give everyone an equal opportunity to apply.

The Superintendent's statement needs to be compared with the State's layoff policy, which states:

Employees affected by a work force reduction, job abolition, or *reorganization* [emphasis added] shall be affected in order of seniority in accordance with the layoff and recall procedures outlined in this policy.

There are important values and consequences embedded in decisions about the roles of seniority, merit, and competition in a personnel system. To protect the integrity of the State personnel system, those questions need to be resolved in the form of a policy, so that employees are treated with consistency. The system is not equitable if that decision is left to the ad-hoc judgements of individual agency heads.

The judge of the circuit court hearing chose not to intervene in the matter. The argument presented by the Attorney General's office, in representing the department, was that the State Personnel Act set up an agency (DPT) to establish policies and review such matters for adherence; and if State employees were not satisfied that their rights were respected, they could exercise their grievance rights under the Act. The court accepted that argument, stating sympathy with the employees, but "the grievance procedure which is provided for in the *Code of Virginia* is all that you can rely on." However, the employees could only grieve a misapplication of policies, and in this case the policy was followed but the provisions of the policy had been rendered inapplicable. While the court's ruling has been appealed, it appears that if the concern is to be addressed, it must be addressed by further clarifications in the State's personnel policies.

PERSONNEL COST SAVINGS WERE LOW

DOE management has said that "the reorganization was not undertaken as an economic measure," and that the "sole purpose was to create an organization that could respond to the educational needs of the Commonwealth in the future."

Nonetheless, in presentations in the fall of 1990, the department discussed the streamlining of operations and the achievement of staffing economies that appeared to indicate a potential for substantial savings. An assessment was made of the personnel cost savings the State may realize when the new organization is fully operational.

Data supplied to JLARC staff prior to the interim December 1990 briefing indicated that the department expected general fund personnel savings of approximately \$1,448,870 in FY 1992 due to reductions in agency personnel. However, of the personnel savings, DOE planned to use \$776,619 for a university consortium proposal. The university consortium is a proposed mechanism for the department to contract with university personnel to provide their expertise in research and the provision of assistance. DOE's projected remaining savings from the reorganization were \$672,251, or approximately 3.3 percent of agency personnel costs.

DOE's projected cost savings were based on the cost savings achieved by reducing from an agency maximum employment level of 454. An updated JLARC staff assessment of reorganization cost savings, using DOE's assumption of 454 positions as the base, indicates savings of 6.4 percent. This level of savings is larger than originally projected, since the General Assembly decided not to fund the university consortium at DOE's planned levels.

However, \$763,962 of savings calculated on the agency MEL of 454 are for the abolition of 16 positions that were never filled at the agency. For the four fiscal years between FY 1987 and FY 1991, the DOE maximum employment level was 431. For FY 1991, a maximum employment level was set of 451. Under the reorganization, the agency MEL has been set at 431, or at historical agency levels, and the 16 "new" positions were never established as actual costs. Table 2 shows that if reorganization personnel savings are calculated from actually established personnel costs, the savings amount to only 2.6 percent. Further, if the university consortium program were fully established at the cost DOE planned under the reorganization, then it appears that the net personnel savings of the reorganization would be only about \$30,000 (0.2 percent of agency personnel costs). Meanwhile, DOE has budgeted \$750,000 per year in non-personnel costs for its new RFP process.

There were 60 employees of the former department who received compensation increases through the hiring process, totaling \$307,422. There were two employees who were demoted with salary decreases, and there were 26 employees who were demoted in grade with no change in compensation. The remainder of employees of the former department who were hired into the department were laterally transferred.

CONCLUSION

It is clear that reorganization efforts at DOE focused on the accomplishment of a major competitive hiring process and a quick time frame at the expense of planning and preparation for post-reorganization operations. The scope of the competitive hiring process was questionable, and the cost savings of the reorganization were low.

These problems may have occurred in part because the State has provided inadequate guidance and support on how agencies may reorganize, especially on a large scale such as the DOE reorganization. This lack of guidance should be addressed by the development of a comprehensive reorganization policy.

Recommendation (1). The Department of Personnel and Training should develop a comprehensive policy on agency reorganizations. DPT should require, as part of the policy, detailed implementation plans from the reorganizing agency containing specific proposals for the abolishment and establishment of positions, revision of job descriptions and classifications, the anticipated use of layoff procedures, and the competitive hiring process to be used by the reorganizing agency, including advertising schedules, the use of

Table 2

Changes in Personnel Compensation

Reductions in Actual Costs

Abolition of Vacant Positions (estimate)	\$ 620,720
Staff Departures from DOE, 7/1/90 to 3/8/90	2,224,021
Layoffs, Professional Staff	1,451,023
Layoffs, Support Staff	783,565
Employee Salary Decreases	<u>8,544</u>

Sub-total, Classified Employees \$5,087,873

Contract Staff Reductions \$ 336,000

Total Reductions \$5,423,873

Planned Costs

New DOE Employees (hired 7/1/90 to 3/8/91)	\$2,281,471
Compensation Increases to Rehired DOE Staff	307,422
New DOE Positions Filled by Unaffected Staff	119,672
New "Unfilled" Positions (as of 3/8/91)	598,568
New "Held" Positions (as of 3/8/91)	1,036,888
New "To Be Established" Positions	299,028

Sub-total, Classified Employees \$4,643,049

University Consortium \$ 250,000

Total New Costs \$4,893,049

Net Savings, Based on Components Shown \$ 530,824

Net Savings as Percent of
"Former" DOE Personnel Cost $\$530,824 / \$20,144,215 = 2.6 \text{ percent}$

Source: JLARC staff analysis of DOE data on personnel transactions, salaries, and fringe benefits.

interview teams, and evaluation of applicants. The policy should also incorporate changes to the minimum required advertisement period for new positions. A minimum two-week period should be considered for all new positions.

The policy should clarify the extent to which positions may be abolished and reestablished as a part of a reorganization. Criteria should require that new positions have a different purpose than the former positions. The criteria should specify that a change in the intended balance of how the work would be performed (team versus individual assignment, for example) is not sufficient to justify the creation and abolition of a similar position during a reorganization.

In addition, the General Assembly may wish to evaluate current policies related to agency-wide reclassifications of positions to ensure that such policies are comprehensive and consistent with the State Personnel Act.

Recommendation (2). Department of Education job descriptions should be revised to more clearly and accurately reflect the role and functions of each position. DOE staff should develop the initial draft of these revisions.

III. Operation of the New Department of Education

Within a nine-month time frame, the Department of Education was transformed into a new organization in State government. The radical restructuring reduced the number of management layers and personnel. Employees were asked to think and work differently in a team-based environment. Organizational units were created to increase the research and policy analysis capabilities of the agency. The goal of reducing the bureaucratic layers of the old department and promotion of the team concept seems admirable.

Prior to the reorganization, many department employees hoped that restructuring would lead to excitement and improvement in public education. However, the scope of the organizational changes surprised employees. Most of the department's employees were not adequately prepared for the revolutionary change. The department did not pilot-test the new work processes, nor did it provide employees with adequate information on how to carry out the work of the new organization. Almost all — 89 percent — of the employees worked in the former department.

When innovative ideas are attempted, start-up efforts normally require a certain amount of trial and error before the best methods are found. The new department is still in a process of transition, and it is understood that it takes time to fully develop new work practices.

However, some organization and management problems the department faces are serious and put at risk the future effectiveness of the department in supporting and overseeing public education in Virginia. It appears that the extent of the current DOE predicament is caused in part by a rushed hiring and reorganization process and a lack of detailed forethought, planning, and communication about how the new organization is to function. The lack of details from management about how the new department is to function has seriously eroded employee confidence and morale in the new organization. In the words of one employee:

The State Superintendent has a fantastic vision I believe in it It can work But if details and decisions are not forthcoming soon . . . this whole thing may crash and burn on a very grand scale. What support [the Superintendent] has, he may soon lose.

Specific problems about the work-setting of the new department have been identified through an examination of survey data from DOE employees and local school personnel, and a review of intended department operations. Evidence seems to suggest that the new agency contains some potentially good ideas. But, there are also questions about how some work in practice. The new department will need to improve some fundamental ways of operating if it is to be successful.

KEY PARTS OF THE NEW ORGANIZATION REQUIRE ATTENTION

The overall success of an organization is contingent upon the success of its integral components. Yet, in the new Department of Education, a large degree of uncertainty exists about whether the components of the organization will be successful. Some of the changes planned, such as the increased use of teams to perform the work, are supported in concept by the Price Waterhouse and other consultant reports, as well as contemporary literature on organizational development. Other concepts, such as the internally competitive RFP process, are unproven adaptations from the private consulting sector.

A review of DOE's current and intended mode of operations indicates that some significant problems are evident. These problems include: employee morale, project selection and management processes, employee performance evaluations, appropriateness of staffing and workload allocations, and delivery of services to the field. If the department is to realize its goals for reorganization, these problems will have to be addressed.

Employee Morale is Very Low

Positive employee morale is important to the effectiveness of an organization, because it can affect job commitment, performance, productivity, and motivation. In contrast, poor morale over a long period of time can cause increased turnover, absenteeism, lateness, low productivity, and low performance. Additionally, many believe that fostering positive employee morale is worthwhile and desirable in its own right.

When organizations undergo dramatic change, morale may be negatively affected. Time to adjust and cope with change is necessary for employees to make the transition to a new organization. However it appears that the adverse circumstances under which the DOE reorganization was carried out greatly affected employee morale. Based upon data gathered from employee surveys administered in fall 1990 and spring 1991, JLARC staff evaluated how morale has changed from the previous organization to the new organization, and examined why employee morale was so deeply affected. The survey was stratified to obtain data from employees in all areas of the organization.

Comparison of Employee Morale in the New and Former DOE. In the November 1990 survey of employee attitudes, employees were asked whether they agreed that employee morale in the former DOE was good. Responses indicated that 43 percent thought morale was good.

After the reorganization took place employees were surveyed in May 1991, asking whether employees thought that morale in the new DOE was good. Responses indicated that only 10 percent thought morale was good (Table 3). Moreover, negative assessments about morale in the new DOE were more strongly held. In the new DOE,

Table 3

**Comparison of Employee Morale Ratings,
New and Former Virginia DOE
(Percentage of Respondents)**

Statement: "Agency <u>morale is good.</u> "	New DOE* (%)	Former DOE (%)
Strongly agree	0	9
Agree	10	34
Disagree	38	48
Strongly disagree	46	9
No opinion	6	0
	(N=69)	(N=44)

*Data are from a follow-up survey to the rehired fall 1990 survey group as well as newly sampled May 1991 respondents.

Source: JLARC analysis of survey data from DOE employees.

46 percent "strongly disagreed" with the statement that employee morale is good, while in the fall, only nine percent had "strongly disagreed."

Of morale, DOE survey respondents commented:

At the division chief level, most show enthusiasm, below that I frequently hear "all things pass."

* * *

Need more [training] on morale building.

* * *

Large numbers of employees, while conceding that changes were necessary, are still depressed and confused because they do not see how the changes were worth the insults and stress they have suffered.

It also appears that the Superintendent did not fully understand what effects the reorganization would have on the employees and work environment after the

reorganization was complete. In a staff meeting on October 30, 1990, the Superintendent told DOE employees that if they would "bear with [him] for a couple more months," then:

I will guarantee you — I will guarantee you — that when [the reorganization] is over, the work atmosphere, the collegiality, the capacity to make a difference will be the biggest reward that you've had in your professional lives.

It will be a considerable challenge to build organizational morale to the level that the Superintendent has predicted.

In addition to identifying employee morale as low, the spring 1991 survey also indicated employee trust in management is very low (Table 4). While 31 percent of the employees surveyed believe that agency leadership is good, only 12 percent believe that employee trust in management is good. Furthermore, only 14 percent of employees surveyed think that the organization will function as intended. Generally, it appears that there is low trust that management will be able to accomplish the reorganizational objectives — a factor which also seems to be contributing to low morale. Employees have stated:

A climate of distrust exists and I'm not sure it will ever improve.

* * *

Table 4

**DOE Employee Attitudes
After Completion of the Hiring Process***

	<u>Agree %</u>	<u>Disagree %</u>	<u>No Opinion %</u>	
Agency leadership is good	31	43	26	(N=70)
Employee trust in management is good	12	75	13	(N=71)
Employees believe that the new organizational structure will function as intended	14	71	15	(N=70)

*Data are from a follow-up survey to the rehired fall 1990 survey group as well as newly sampled May 1991 respondents.

Source: JLARC analysis of DOE employee surveys (surveys received during May, 1991)

The ill will and bad feelings, lack of trust and confusion caused was not worth what seems to be developing (new DOE).

* * *

Enthusiasm and excitement are still missing. In general, employees still seem to question trustworthiness of management in relationship to job security.

* * *

A significant number of former DOE employees survived the reorganization. They will not easily, or quickly, place trust in their new State Superintendent. With each passing day that he fails to demonstrate he can effectively lead, his task becomes more difficult. There is a growing sense that this new agency will soon collapse . . . and that employees at the levels where "work" is done, will again become the victims.

Moreover, employee survey data indicates that large numbers of employees are not convinced the new DOE is making progress toward meeting some key objectives of the reorganization. Employees seem divided in opinion about whether they think the reorganized department will bring improvement to the agency. For example, when employees were asked in May for their "overall" opinion of the reorganized department, 25 percent think it will be "more effective and efficient", 36 percent think it will be "less effective and efficient", and 39 percent think it will be "about the same as the former department." Employee opinions were also mixed when asked for their views about whether the new DOE is advancing toward various objectives (Table 5).

It is apparent that morale, as well as employee trust in management, will need to be improved if the department wants to be successful in convincing employees to adopt to the new organizational operations set forth by the Superintendent. Similarly, employees need to be convinced that DOE can effectively meet reorganizational objectives.

Factors Affecting Morale. Two factors which stem from the reorganization appear to have had a significant effect on employee morale: the competitive hiring process and the apparent confusion about how employees and the agency are to carry out responsibilities.

First, the extensive use of a competitive hiring process to fill department positions appeared to negatively impact employee morale. One employee stated, that the process was "at the least, stressful and, at the most, physically and psychologically harmful." The department's newly hired organizational trainer also said that she did not think it would take as long to get the organization reoriented, if the employees were "in a better emotional state." She said that because of the massive reorganization, there are a lot of bad feelings. Other employees have said of the hiring process:

Table 5

**DOE Employee Attitudes About
Whether DOE is Advancing Toward
Objectives**

	<u>Agree %</u>	<u>Disagree %</u>	<u>No Opinion %</u>	
Minimizing bureaucracy	34	55	11	(N=67)
Empowering non-management staff to make more decisions	42	48	10	(N=67)
Channeling, prioritizing, and coordinating work	41	41	18	(N=66)
Minimizing distraction from prioritized work	24	46	30	(N=67)
Coordinating inter-disciplinary functions across the agency for more effective problem-solving	34	27	39	(N=67)
Effectively using the team approach to carry out the department's work	33	30	37	(N=66)

Note: Data are from a follow-up survey to the rehired fall 1990 survey group as well as newly sampled May 1991 respondents.

Source: JLARC analysis of DOE employee surveys (surveys received during May, 1991)

How can one possibly explain and appropriately describe the stress,
the strain, the long delays.

I don't believe people had to lose their jobs and go through the 'rehiring'
process to effect this change.

The hiring process was the most humiliating professional experience
I have ever had

Some employees still appear unsure of their job security, and as a result have
stated they are afraid to take risks. One employee said:

Having been in effect told over the years that [employees] were doing
a good job, they now are uncertain that their definition of a good job is
consistent with that of management, and so feel continually threat-
ened by the possibility of being laid off or disciplined because they did
not meet some standard that they do not understand, or one that will
be applied for political reasons.

It is clear that employee attitudes were critically affected by a reorganization which
forced them to lose their job, reapply for a new position, and face the possibility of layoff.

Second, the current status of operations at the department also appears to be
contributing to low employee morale. Many employees surveyed appear to think that the
new system is not working as it should, largely because management has not provided
enough of the appropriate details about how the new organization will function. Some
employees have stated that the lack of definition in work processes has contributed to
lower morale. For example, employees said that minimal information has been available
on the status of former DOE functions and on performance evaluations. Employees seem
to question whether management has a clear plan for action. Furthermore, some
employees appear very frustrated by what they have seen of the RFP process. Employees
have said:

I believe that the majority of the department's staff are having
difficulty understanding the concept . . . and how it can/will be applied
in a practical sense, to "doing work." This is due in part, I believe, to
top management's failure to provide the details and direction neces-
sary to successful implementation of the new model.

* * *

Each division chief has a different interpretation of the new process;
therefore communication to DOE employees is very inconsistent.

* * *

I agree with the basic concept of the reorganization, but am confused
about what my role is supposed to be.

It appears that a lack of understanding and confidence in the new organization
has contributed to low employee morale. Until employees believe the new system will
work, it will be difficult for employees to adopt the new process.

Poor employee morale can be a temporary state, if the organization takes action to effectively deal with the situation. However, the mere existence of such an apparently extensive problem two months after the reorganization points to other aspects of the reorganization that require management's attention.

Method For Project Selection and Work Management Seems Problematic

Under the new organization, the way in which work will be accomplished is markedly different from the previous organization. Because most work now will be accomplished through team projects, problems in the selection and management of these projects are likely to affect the organization's overall success. The intent of the new process is to change the way employees think about problem solving and to stimulate new ideas. However, since nearly all of the employees worked for the former DOE, in a highly traditional work environment, adjustment to the new and very different work processes has been difficult.

DOE intends to use the RFP process as a tool for managing projects. Since initiating the RFP process in late March, the department has already made significant revisions to that process. These changes in some cases are confusing to department employees who are trying to learn how the new process is supposed to work. An employee responding to the JLARC survey stated that "the rules keep changing."

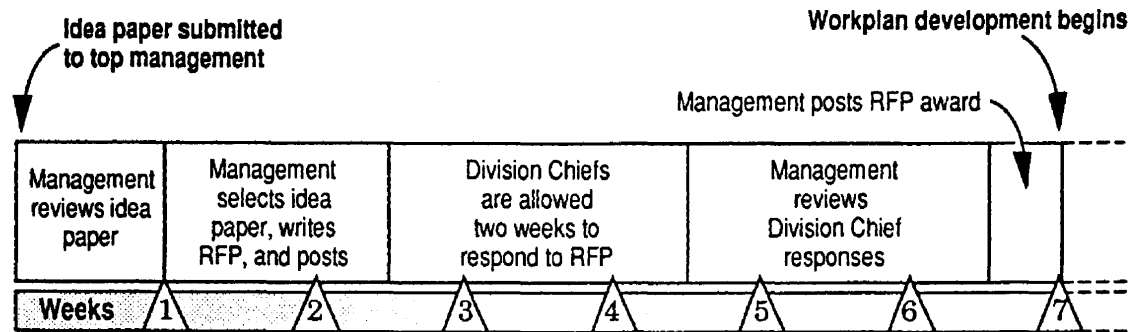
One of the changes that has already been made is that team membership will not be determined and identified in division chief proposals. By contrast, through the beginning of May, competing project teams were formed and identified in the proposals. This change in the RFP process was made, according to DOE management, because they were receiving feedback that it was discouraging to employees to invest significant time in proposal development and then not be part of the project. An intent of the change is to reduce the use of staff time below the division chief level in proposal development. However, some staff may decide that the earlier and the greater their input to a division chief in the proposal stage, the better their chances to be part of a project they want. In this scenario, the use of staff time and competition may not be reduced much.

An assessment of the RFP and team processes as they currently exist at DOE identified five problems; (1) the RFP process is time consuming, (2) the RFP process may cause a delay or a reduction in service delivery to the field, (3) employees have concerns about the RFP process, (4) there are conceptual problems with using an internal RFP process, and (5) the complexity of agency operations that will exist if dozens or hundreds of formal, multidisciplinary projects are created may be unmanageable.

Time Required for Processing RFPs. The RFP cycle, from the point at which an "IDEA" paper is submitted to management to the point at which an RFP award is made, is time consuming. Figure 9 shows the typical management review process of an "IDEA" paper through the point of RFP award. Based on interviews with DOE staff and an assessment of data on 44 RFPs that have been issued, it appears that the time frame that can be expected for this cycle to occur is five to seven weeks. For example, once an "IDEA"

Figure 9

Estimated Time for Completion of Idea Paper and RFP Review Prior to Workplan Development



Source: JLARC discussion with DOE staff members, and review of DOE data on RFP awards made as of May 15, 1991.

paper is submitted, it may take one week for management review. If the "IDEA" is chosen, an RFP must be written, taking seven to ten days to post. After posting, division chiefs are typically allowed two weeks to respond. After responses are submitted, management on average takes two weeks to review proposals and make an award. Data also indicates instances in which RFPs have been issued, but responses were not due for several months. In such cases, the RFP cycle will be much more lengthy.

Despite the lengthy process, department management intends for the department to perform the majority of its work through the RFP method of work distribution. This is to include the transformation of former DOE work into RFP-based projects, as well as additional projects developed from "IDEA" papers submitted to management. Most division chiefs expect that over 75 percent of the work they will manage will be teamwork that is defined through the RFP process. Therefore, the volume of "IDEA" papers and RFPs which are expected to be reviewed by top management is large. With the management time required for review of each "IDEA" and RFP, and with the volume of work targeted to progress through the RFP cycle, there is a likelihood of delay from the point of identified need to the point at which project implementation can begin.

Concerns have been expressed by management and employees that work to be delegated to employees through the RFP process could "bottleneck" at the management level. There are only a few top managers who write the RFPs and review the responses, and in addition they must attend to their many other responsibilities. Staff are concerned that the amount of time required for reviewing "IDEA" papers, writing RFPs for all

project work in the department, and for reviewing RFP responses despite busy schedules, could delay work from reaching front-line staff.

Employees indicate that to some degree, a bottleneck at the top is already occurring. Employees surveyed in May indicated frustrations with the speed of the process. This frustration appeared to be increased by a perception that many of the RFPs written are unnecessary as they require the specific skills of only a select few in the agency. For example, one RFP written required the use of complex information system skills, and fairly obviously required the use of resources from the Information Systems division. The RFP was awarded to the Information Systems division chief. The cost of using internal competition for this work, and awarding it to the obvious candidate, was a month delay in the start of project development. Aside from delaying development of projects internal to the DOE, the RFP process may also delay service delivery to the local school divisions.

The RFP Process May Delay or Reduce Field Service Delivery. Local school personnel and DOE employees alike have expressed concern that the RFP process may delay direct service to the field. There is also a concern that service to the field could be reduced if DOE management does not select "IDEA" papers submitted by local school divisions.

When a school division is to receive assistance, they are to work through their regional field service representative. The representative's role is not to provide direct assistance, but rather to act as a broker of services for the department. A rule of thumb that the field service representatives report using is that if a school division's need for assistance requires more than two days of work, it should be written into an "IDEA" paper and submitted to DOE management. DOE management will decide if it should become an RFP, and the RFP process will begin.

Given the volume of "IDEA" papers and RFPs that management will potentially have to review, and the length of time required to go through the RFP process, the response time for addressing school division needs can become lengthy. Of this, school division personnel said:

The current system of submitting proposals may prove to be too cumbersome to increase effectiveness.

* * *

I would envision less requests for assistance due to the RFP process and the time which will be needed for assistance. School divisions that need assistance immediately will not be able to receive it.

* * *

I wonder about the new system's ability to respond in a timely and relevant manner. If every time I went to my family physician, he

referred my case to a variety of specialists (who would be chosen based on their proposal) it might take time for those people to become familiar with my personal and medical history — if I lived that long.

Additionally, management can decide to not turn an “IDEA” paper into an RFP, in essence rejecting the school division’s need. The department has stated that its philosophy under the reorganization is to always serve the customer, in this case the school division. However, it is very likely that DOE management, being removed from the situation, subject to tight monetary constraints, having to consider many “IDEA” requests, and establishing their own priorities, will not respond to all field requests. From this perspective, service to the field could be reduced.

Employee Concerns About the RFP Process. Based on employee survey comments, it appears that there are employee concerns about various operations of the RFP process. First, it appears that many employees think that the use of the RFP is inappropriate for many mandated, technically specific, or smaller projects. Employees have said:

Many RFPs written did not have to be.

* * *

The RFP process will be very effective in some areas . . . however it appears cumbersome for established activities.

* * *

It is very obvious from the way the RFPs are written who should be in charge of the project.

Second, some of the promised benefits of the RFP process do not appear to be real to some employees. There is some cynicism about whether employees can really “self-select” to be on a project, or that employees are empowered under the process. Some employees say they are afraid not to join a team when asked, because they do not know how that might affect their evaluations. Other employees have said that although they may request to be on a project, the division chief decides whether the employee is assigned to the project. Employees are concerned that staff who are familiar to or favorites of the division chief will consistently be chosen, leaving others to work on projects they are less interested in.

There is total control at the top — while there is perception of self selection by individuals, it’s only a mask — one really doesn’t self-select and work on a project. You can only express an interest, someone else makes the selection.

Third, some employees believe that the RFP process has and will result in increased distancing of, and reduced communication from, management. Some employ-

ees fear less involvement with the overall mission by being removed from the work processes of top management and from decision-making.

By recent directive, all proposals are to be "written" by division chiefs. Taken literally this requirement will overload the chiefs, reduce the creativity of proposals, further dis-empower the specialists, and reduce staff 'ownership' of projects.

* * *

An enormous amount of control has been concentrated in a few hands, making the operational members a long and awkward distance from these hands. Layers have been decreased, but restrictions have been increased.

Fourth, some employees fear there will be a reduction in the opportunity to develop in one's area of expertise. Some employees perceive that if they are mostly working on topical projects determined by the RFP process, and which their involvement will be contingent upon being selected to be on those teams, they will have less experience with and command of the overall picture in their area of expertise. They are concerned that they will further lose their expertise by reduced involvement in liaison activities with professional organizations. For example, department management is currently planning to eliminate DOE's on-going participation in 42 advisory board and liaison activities. These employees fear that the changes will distance them from understanding and consequently helping with the specialty needs of their fields:

There is not any encouragement of professional development in your specialized area — how does one stay a specialist in [a field of expertise] without staying on top of national trends?

Many employees surveyed seem to share a lot of concern about how the RFP process of managing their work will affect them personally. While it is understood that it will take employees time to adjust to change, an abundance of negative experience, such as operating a system that unintentionally causes poor working relationships or provides minimal opportunity for specialty development, could hinder the working environment and the success of the new organization.

Conceptual Problems with DOE's Internal RFP Process. DOE's internal RFP process was developed by adapting some private sector concepts (such as awarding work through external RFP competition among several different firms), to create an internal RFP system to administer agency operations. These concepts however, appear unproven for use internal to an agency. Moreover, there are several reasons why it seems that the RFP process should work better in private sector competition between consulting firms than within a single organization.

One is that external private sector competition was developed as a way to manage competition between firms that compete financially for the same highly desired projects. Each firm is expected to complete a proposal in virtual isolation from the others.

Individuals from different competing firms are not expected to collaborate with each other, but rather to compete with each other. Therefore, there is no incentive to develop collaborative ties between individuals in competing firms. In contrast, there often is a need to develop collaborative ties between individuals within an organization, especially when they are frequently but not always in competition with each other. Thus, it appears at the new DOE the concept of competition could be in conflict with the need for collaboration.

Second, the RFP process produces duplication of effort between firms in developing proposals, but this duplication is an accepted risk in the private market. Judging among different proposals is often the only way to make an informed decision about who should be selected for a project. In contrast, although there may be competing interest for a project within a single organization, there may be other means for making an informed decision regarding who should perform the project, so that duplication of effort, and use of staff time and resources is not wasted. Concern about wasted resources is particularly important in connection with the operation of a State agency, because resources are scarce.

Third, individuals in competing firms in the private sector often have a financial incentive for participating in the RFP process. Whether the individuals get paid may often be directly contingent upon whether they have the winning proposal. Moreover, if an individual over-commits time to awarded projects, the individual also may be paid in a greater amount as well. In contrast, employees in a State agency are generally paid a salary, so there is no direct financial incentive to being awarded the projects since the salary is paid regardless.

Finally, the private market RFP process is self-selective regarding the kinds of projects that are awarded. The RFP process works only for those projects that are so highly desired that individuals or firms are willing to run the risk of producing a proposal. If there is no competition, there is no need for the full RFP process, and an alternative method is necessary for determining who shall carry out a project. Many necessary projects or tasks that must be carried out within an organization may not be considered desirable, and therefore would not be carried out if left up to the RFP process alone.

Department emphasis on team-based projects to encourage employees to think differently about problems is commendable. But the RFP process, as currently implemented, is a time intensive, resource consuming, inefficient process. There are concerns that the perceived benefits of developing creative alternative approaches to project work do not outweigh the negative effects of time delays, increased administrative burden, and wasted resources used on proposals not chosen. Furthermore, one of the main goals of the new organization is to be more responsive to the needs of the local school divisions. If the department must funnel large numbers of projects, which each take a considerable period of time, through the RFP process, it is unlikely that the department will be able to respond quickly to the needs of the school divisions.

Employees identified many concerns with the process, and minimal benefits from using the process as a means of work distribution. Finally there appear to be some conceptual problems with using the RFP process for determining internal agency

operations. There also appears to be no proven model which would support the use of an RFP process internal to a State agency.

Recommendation (3). The Department of Education should sharply curb its use of the RFP process, until a thorough analysis of the process to date has been performed to determine if and when its use is appropriate for internal agency operations. Such analysis should include a data review of key elements of the process. Pending completion of that analysis, DOE projects should be assigned to appropriate division chiefs. To preserve the multidisciplinary team approach, employees could still be given the opportunity to express interest in working on projects, and such interest could be considered in making assignments.

Recommendation (4). DOE management should create formal and informal mechanisms for listening to employee suggestions and concerns regarding new and future work processes. Management needs to be flexible and adequately address compelling employee concerns, if the reorganized department is to be effectively implemented over the short and long term.

Complexity of Team Operations. The operation and management of any large organization is a complex task. Developing systems to efficiently and effectively manage work for roughly 400 people so that the agency can meet a unified mission would be a formidable undertaking. There have been criticisms that the former DOE did not effectively perform that task. However, it is unclear whether the new DOE will streamline operations to the point that the agency will be more effective and efficient than the former organization.

Employees have remarked positively that there has been a reduction in vertical layers of supervision at the new DOE. Employees have also appeared pleased with their newfound opportunity to work with a variety of different people and specialties across the agency. Employees have said:

The levels of supervision are decreased I like this

I am allowed much more independence which makes me happier and more productive.

Getting rid of the many levels of review of memos and letters was terrific.

We now have the ability to work across the various divisions and disciplines and I think that can have a very positive impact.

However there are concerns about whether the use of teams as the primary structure for managing and carrying out the majority of department work will allow for generally better operations over the long run. In part because this key component of the new organization has never been tested at the department, some skepticism exists as to whether it can be effective department-wide. Some employees indicate that for some units within the organization, emphasizing team-based operations does not always appear appropriate.

Further, since the new organization is now "flatter," there may be an unmanageable increase in horizontal, interrelated activities. It is likely the department will experience management and supervisory problems with coordinating large numbers of team activities. None of the agency's top leadership has prior experience managing a loose, constantly changing team-based organization. This process may eventually overwhelm the department. Some DOE employees also expressed concern and frustration with the increase of horizontal layers (the number of project teams). There are concerns that there will be inadequate communication across teams, and a potential duplication of activities. Some employees said:

The lateral bureaucracy we have now is much worse than what we had before.

* * *

The way the department is reorganized and things are done, there is a possibility that no one has a big picture, we are all doing little pieces.

* * *

We are in the process of creating one of the most bureaucratic systems that ever existed

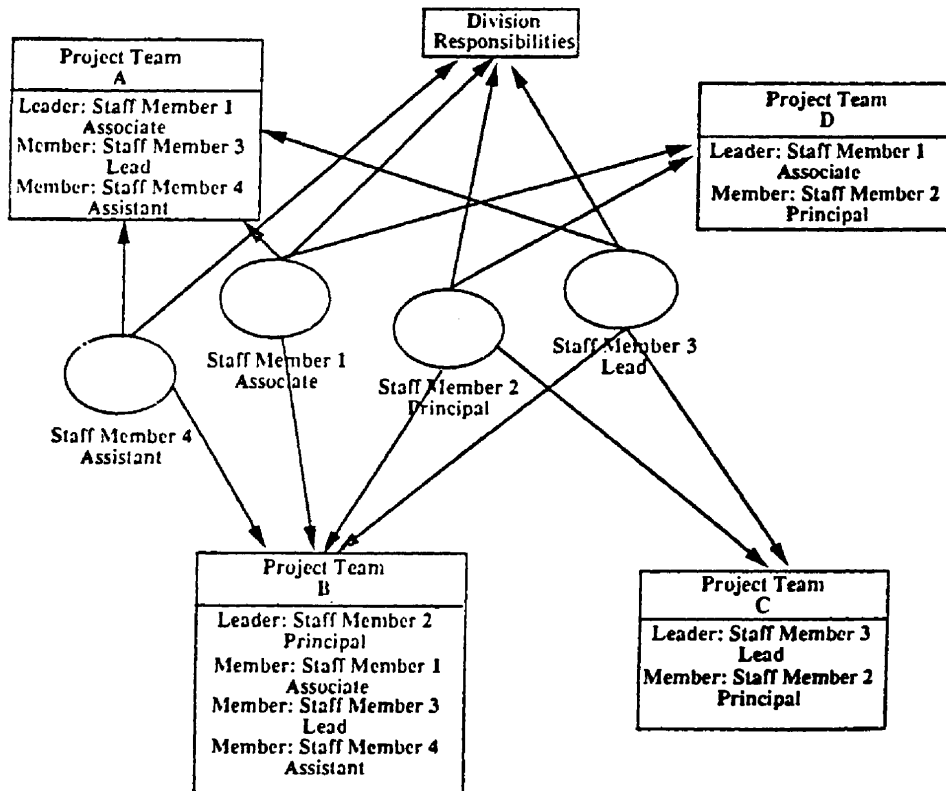
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Management has approved some ideas for the RFP process that are redundant, so that staff may end up working on the same issues without any coordination of effort.

Another potential management challenge is the difficulty teams will have in coordinating work activities. While this was not a consistently reported problem at the present time, there is a likelihood that this will happen in the future as project participation increases. For example, if an individual is working on three different teams which have four members each, then a total of 12 schedules will need to be coordinated at one time or another, when arranging team meetings. On-site visits to local school systems could further complicate project scheduling. Figure 10 is a DOE graphic which

Figure 10

Complexity of DOE Assignments and Scheduling



Source: Department of Education graphic.

shows how staff members will operate in teams, and illustrates the complexity of assignments. An employee reports:

As a team leader, the process of scheduling meetings around team member's schedules is frustrating.

Postponements in team meetings due to conflicts in schedules may lead to work delays.

The increase in horizontal activities requires greater coordination among teams to: (1) make sure there is not a duplication of efforts on various projects being performed throughout the organization, (2) communicate what is happening in individual projects to keep staff and management abreast of the "big picture", and (3) make sure that different teams do not deliver inconsistent messages to the field.

An additional concern raised in DOE staff meetings is that staff are not fully aware of what expertise is available to assist them outside of their divisions, when creating multi-disciplinary teams. This is particularly important to know when team members must be recruited or chosen based upon their expertise. Information on employee expertise would also assist in directing phone calls and referrals and could be valuable to regional service representatives and DOE-On-The-Line staff. Finally, for new DOE employees it would serve to orient staff on the varied interests and expertise of staff.

Recommendation (5). Since the effectiveness or efficiency of the new DOE work processes have not been demonstrated in the department, the DOE internal audit unit should monitor the management of projects, team-based operations, and other daily work processes. Information should be provided to the Superintendent on an ongoing basis.

Recommendation (6). The department should develop an internal document arranged by division, which lists all personnel and respective phone numbers, a concise curriculum vitae, and if applicable pertinent areas of employee interest. The document should also contain a list of state-wide or national resources which could potentially help with team or project development. The internal document should be updated routinely and distributed department-wide.

No System for Employee Performance Evaluations Has Been Developed

Another major challenge facing the department's leadership is evaluating the performance of employees who are constantly rotating from team to team. The means by which the department will conduct performance evaluations within the prescribed State policy is still unclear. As late as May 10, 1991, the department referred to employee evaluations as one of the "thorniest issues" facing the department. A May 10 management newsletter to employees described a process in which staff of DOE's human resources office would develop and present a plan to the management group. "Once the plan is approved," the newsletter said, "meetings and training sessions will be held by the human resources staff to share this information with employees."

The department has stated that the division chiefs will be responsible for evaluating most staff. The range in numbers of staff to be directly evaluated by each division chief will vary, but could be as many as 35 or 40 professional staff. Since division chiefs may not be consistently overseeing teams with the staff they are responsible for evaluating, outside input is necessary to effectively evaluate the employee.

The department does recognize the need for this input, but to date is unsure how this will be accomplished. Some division chiefs and the Superintendent have said the department may evaluate each team member on the team product delivered after completion. Who in addition to the division chief will participate in the evaluation assessment is unclear — the management group, team leader, field representative, local

school personnel to which the project was delivered, other team members, or a specified combination of these potential evaluators. Some say the employees will be evaluated based on the number of projects in which they have participated. How and when input will be delivered to the appropriate division chief performing the evaluation is also unclear.

There are concerns about using the number of projects participated in as a major factor in the evaluations. Some employees have been assigned a large percentage of work that is outside of the RFP process, leaving them little time to participate in team projects. Other employees have expressed a great deal of interest in a project but were not chosen by the division chief to participate. Some employees have put significant effort into helping a division chief develop a proposal for a project, but the division chief was not awarded the project. Some employees do not think it sufficient to be evaluated largely on a team product, and think attention should be given to the quantity and quality of the individual's performance. All of these considerations must be taken into account to fairly evaluate an employee.

Employees have expressed concern over how they will be evaluated. Concern stems from low trust in management, the fact that they are uncertain of the process to be used, or that the division chief evaluating them could be far removed from an employee's work. There is also concern that the input from other units of the organization to the division chiefs could be inconsistent and overwhelming. Some employee comments are:

It is not clear to me who is going to evaluate who against what.

* * *

Some units are so large that the process may become a depersonalized, number crunching activity

* * *

[I] believe it will be impossible for a division chief to know the individual performance of employees who she may see at most once a month in a called staff meeting.

* * *

Many people believe that, as the department successfully circumvented state personnel regulations in reorganizing and (re)hiring, the evaluation process will be as arbitrary. I for example, am concerned that I will be evaluated by team leaders outside my area of expertise who have not been trained to do such evaluation I have no reason to believe that regulations will protect me against arbitrary/capricious evaluation based on a work process poorly worked out and understood

. . . . Moreover, a majority of employees feel that they and their performance evaluations, not management personnel, will pay the price if reforms/reorganization fails to perform as advertised.

It is also likely that the uncertainty surrounding the employee evaluation process is a contributing factor to low employee morale.

While the human resources unit of the department has been charged with the responsibility to develop a model performance evaluation system, it is unclear when this project will be complete. Most employees surveyed have little or no information about the evaluation process, or when they expect to know more about it. The division chiefs interviewed also expressed the same uncertainty.

The clear knowledge of how an employee will be evaluated is important. It provides direction to the employee and clearly outlines expectations of them. It is the means for holding employees accountable for their actions, and also is an important factor to directing employee behavior.

Recommendation (7). The department should immediately develop an employee performance evaluation system that is consistent with State policies but reflects the new organization's goals and objectives. The system should accommodate the uniqueness of different positions and units. For example, the same degree of team participation cannot be expected in units with heavy ongoing responsibilities. The performance evaluation system should be updated as the new organization changes and evolves.

Staffing and Workload Allocations Will Need Review

A few issues have been raised regarding the appropriateness of current staffing allocations made under the new department. Specifically those issues refer to (1) staffing for vocational education, (2) staffing in teacher certification, (3) distribution of administrative support, and (4) manpower planning.

Staffing for Vocational Education. As a result of reductions associated with the reorganization, there are concerns about the adequacy of staffing levels in vocational education. Related to this are concerns regarding the future role of vocational education under the new DOE.

The number of vocational education positions allocated to the new DOE have been reduced by at least 50 percent from the former DOE. Department management has reasoned in part that the staffing reductions can be made up by multidisciplinary teams that will be used to provide assistance. The reduced number of vocational education specialists could be compensated through the use of team members from various other specialties. It is unclear, however, whether such a large reduction in force was appropriate for vocational education.

The local school division personnel in vocational education that were surveyed expressed concern over the potential impact of the reorganization on vocational education, including the reduction in vocational education staffing. Many are worried that such actions may signal a misplaced emphasis by DOE on academic education that will hurt valuable vocational education opportunities for some students. One respondent said:

I am seriously concerned about the role of vocational education in this reorganization Everything we hear from employers is that students need more of the skills we provide I don't think people understand how many basic skills we teach in addition to job-related skills.

In apparent contrast to DOE's actions, it appears that over the next ten years there will be a growth in Virginia employment that requires skills taught through vocational education. The recently issued Workforce 2000 report by the Virginia Employment Commission, indicates that many of Virginia's ten fastest growing occupations require preparation that could be taught or enhanced through vocational education programs. Furthermore, most of the occupations listed as "Virginia's Ten Occupations Providing Most Openings 1988-2000" do not require a college education. However students pursuing such employment after graduation will need to be prepared with proper skills to obtain this employment. It seems apparent that assistance will be necessary to help schools meet employer needs over the next ten years.

Finally, some members of the General Assembly have indicated their strong interest in vocational education. During the reorganization process, some members indicated to the Superintendent that they were concerned about DOE's plans for vocational education. It appears therefore that some assessment should be made as to whether the current level of vocational education staffing is appropriate to meet the State needs over the next decade.

Recommendation (8). A reassessment should be made of the department's role in vocational education. A review should include an assessment of needs as perceived by the local school divisions, as well as the business community. The results of this review should be used to define the department's future vocational education program goals and staffing levels within the context of the State's overall policy on vocational education.

Staffing in Teacher Certification. Another area where the staffing level may have been inappropriately reduced as a result of the reorganization is in the teacher certification unit located in the Compliance/Coordination division. It appears that when the department was determining unit staffing levels for the reorganization, it was based upon estimated need. However, the department may have not adequately predicted the amount of staffing resources required for this unit.

According to the supervisor of the unit, the internal audit unit of the department previously concluded that the teacher certification unit needed to be more automated and

have more personnel, but staff were instead cut under the reorganization. Some management and various employees report that staff in this area continue to be overwhelmed with work. The unit reports a daily workload of hundreds of requests by phone and incoming mail.

A respondent to the DOE employee survey commented in May, "This area does not have the proper staff, running 2-4 months behind their work. I get complaints every day from teachers about their certificates taking so long to be processed."

Recommendation (9). A reassessment should be made of the staffing in the teacher certification area. A review of the typical workload should be compared to the expected degree of person-hours necessary to complete that work. This information should be shared with the pertinent staff of the Compliance/Coordination division. If information shows this area understaffed, a redistribution of department staff should be considered to alleviate the problem.

Workload Allocations for Secretarial Staff. The concept under which secretarial support is provided in the new organization is different from the method used by the old organization. In the new organization, clerical staff have been assigned to work for a particular division, not a particular individual, with the exception of secretaries assigned to management positions at the division chief level and above. Within the divisions, the lead secretary is typically the executive secretary who has been assigned to work directly for the division chief.

The lead secretary is responsible for channeling all work required by division staff to the other secretaries in the division. Professional staff give secretarial requests to the lead secretary. The lead secretary funnels the work to the other secretarial staff, based upon their workload level or expertise. The department believes that the use of this "pool" system will be a more efficient means to provide support. The department has also developed a four-person "In-House Temporary" secretarial pool service. This group is used to provide secretarial services to divisions that need additional, but temporary support services.

In the early phases of the new organization, the department appears to be having problems with the distribution of workload to secretarial staff. Some secretarial staff report a backlog of work. In some cases, it appears to secretarial staff that an imbalance of work exists. Professional employees surveyed report that in some areas they do not have enough secretarial support to handle phone calls and other needs. Yet the average ratio across divisions of professional staff per clerical staff person, 3.75 to 1, does not appear to be high. Thus, employee concerns appear to indicate that either the department has not yet developed an efficient system for handling secretarial workload, or that there may be problems with the number of clerical staff that have been allocated to particular divisions.

Recommendation (10). The department's internal audit unit should perform a review to determine if the system of allocating workload to secre-

tarial support staff is working, and make recommendations for improvements. Since the department's allocations of secretarial support staff to divisions were determined based on anticipated needs, internal audit should consider whether there are staffing imbalances at the division level, indicating that some redistribution of secretarial staff between particular divisions may be necessary.

Manpower Planning. Many of the division chiefs indicated that during the course of the reorganization they worked holidays, weekends, and long evenings to accomplish what was necessary. Several indicated that even after the reorganization, the workload has not significantly lessened. Division chiefs still have many responsibilities which require significant time in performing their jobs. They have large staffs for which they are at least administratively accountable (on average, more than 25 professional staff per division), which will be a substantial responsibility in areas such as performance evaluations.

Also, as will be discussed in the next section, field service representatives indicate that their responsibilities could require them to work well beyond the 40-hour work week. Continued expectations of the sort currently experienced by the division chiefs and field service representatives could lead to burn-out and turnover.

Furthermore, department staff have all been redistributed based upon expected needs of the new department. In actuality, the needs may prove to be different. An imbalance of workload, or over or understaffing of some on-going functions, may result. The reorganization itself may have workload effects that are unanticipated, such as effects on staff that are considered "unaffected" by the reorganization. For example, the accounting and finance unit indicates that due to the reorganization, the unit's workload will increase to implement a new accounting system organized according to the department's project team (RFP) codes. For all these reasons, the department needs to keep data on time allocations and workload as part of a manpower planning effort.

DOE management indicates that the former department did not collect and maintain information on employee workload which could be used for planning. Indeed, most records of this nature were kept for federal reporting requirements only, and were sometimes inadequate for that purpose. Currently, department management has indicated that it plans to develop a new system for measuring individual time allocation. An RFP has been issued to do so. DOE management has reported that it needs the system because it wants to improve the reporting of time spent on federal work — if done more completely, it may increase federal revenue.

However, the department should plan to use the new system of recordkeeping for agency manpower planning, not just federal reporting requirements. The RFP for a time and attendance system lists the collection of data for analysis on projects and on-going functions as the third objective of the RFP. There is a concern, however, that this objective may not be realized. In interviews with JLARC staff, division chiefs expressed the view that the development of time allocation data is a necessary nuisance to meet federal requirements, but none expressed an interest in the data for planning and analytical purposes.

In a newly established organization, such data could be especially valuable in assessing organizational operations. Data could be collected that provide insights into matters such as time spent on project development, project implementation, assigned functions, travel, training, administrative tasks, and other activities. Weekly time data should be analyzed by management on a periodic basis to assist in work and staff planning. It may help indicate whether staff time is being appropriately allocated to organizational priorities. Analysis may also indicate whether particular units or staff appear to be consistently overworked or underworked. Since the staff were redistributed in the reorganized department based solely upon expected needs, such data could prove useful in determining future department needs, and would allow for a more methodical and planned approach to staffing.

Recommendation (11). Included in the department's new system of time allocation record keeping should be a method for recording time spent on project development, project implementation, assigned functions, travel, training, administrative tasks, and other activities. Analysis of these records should be performed periodically, by division, and department-wide. Creating this system should be a priority, so that if data indicates, appropriate staffing adjustments can be made to the new organization as soon as possible.

Service Relationships With School Divisions Remain Unclear

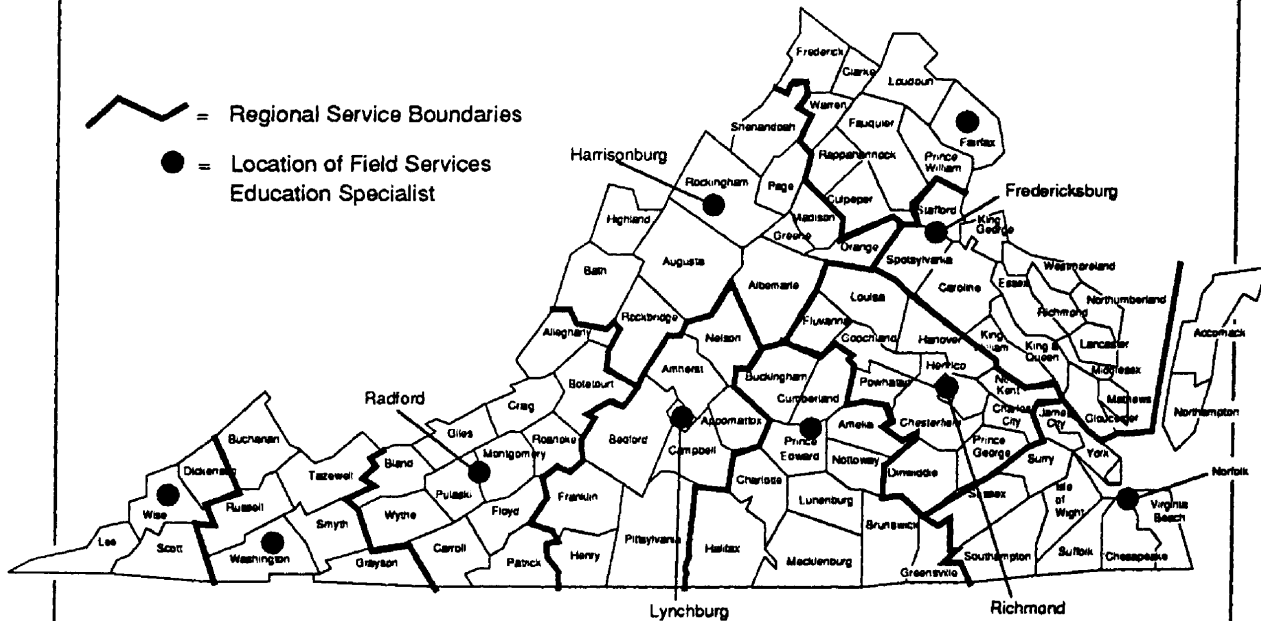
Service delivery to the local school divisions will be radically different under the new DOE than in the past. The department has created ten regional field service representative positions and abolished the six regional offices of the former DOE. This new arrangement offers a perceived benefit of providing the department with a broad-based link to the school divisions. Figure 11 illustrates the ten new regions created for each field representative.

The focus of changing the department's method for service delivery has been to create a system whereby the department may better serve the needs of the field, by offering more tailored and expedient assistance. While most local school personnel surveyed appear willing to work with the new concept and are hopeful that it will work, there is a lot of uncertainty. Despite the concerted effort that has been made to change the system to better meet field needs, three areas of concern exist which could hinder field service delivery under the new organization: (1) the adequacy of field service representation, (2) the need for some field representative involvement with team projects, and (3) travel.

Adequacy of Field Service Representation. Prior to the reorganization, DOE operated six regional offices that were staffed in a seemingly haphazard way. The number of staff varied at each regional office, as did the specialties (most staff however, were connected to vocational education). The Price Waterhouse report recommended that DOE consolidate its regional offices into one major office in the Western part of the State.

Figure 11

Regional Service Units



Source: JLARC graphic based on information from DOE.

Instead, DOE chose to create an alternate field organization as part of the reorganization. With the new system, the State has been divided into ten regions, with one regional representative assigned to each region. To perform their duties and functions, regional representatives expect to be out of their offices three or four days of every week, "on the road" visiting the different school divisions and making contacts with various related groups, such as parents, advisory boards, and community associations.

The distances that representatives must travel to each school division can vary. In most cases, the greatest distance from each regional representative's office is typically between 60 to 100 miles. In addition, the regional representatives expect to travel to Richmond on a periodic basis. The time involved for regional representative travel to their various destinations will likely affect how much field "work" can be accomplished each week.

Yet in addition to being out in the field, the representatives need to spend time in their offices. Office time needs to be spent studying data on the schools in the region and education research findings, finding department resources to address school division needs, responding to phone messages, initiating contacts and networking in the community, issuing correspondence, monitoring projects, and addressing the needs of their division chief.

Too little is known about whether one field service representative is adequate to serve each region. There is the potential for imbalance of field representative workload across regions. This may occur if local demands upon the field representatives are based on the number of divisions served and complexity of educational services provided, rather than on the relative "needs" of the schools. There is some concern that in the large regions one field service representative will not be enough to adequately meet school division needs. Local school division personnel surveyed said:

I have a concern of the time factor for one person to serve several divisions.

* * *

There will be only one person serving the area. His accountability will be limited. I don't think resource people will be as available to assist him as DOE suggests.

Many regional representatives report they currently work well beyond a 40 hour work week to meet the demands of their job. Some of the field service representatives report they are overwhelmed with work, one saying "there could easily be three of me, and I'd still be a little bit behind".

Recommendation (12). After a reasonable period of time, the department should reassess and evaluate the staffing level and operations of the regional service representative program to determine if it is adequately meeting the new department's objectives. The evaluation should include an analysis of whether the service representative is the optimal form of staffing for primary regional contact, or whether regional specialists should also be considered.

Field Representative Involvement with Team Projects. The department has stated that the new method of field operations should provide for more tailored assistance to the school divisions. However, a concern that has surfaced from interviews with regional representatives, is that there is no established expectation that DOE teams will meet with representatives prior to their performing project work in the field.

Some DOE regional representatives have said that once a RFP (for a project to be performed in their region) has been awarded and a team created, they expect the team to perform its work in the region without regional representative involvement. Others have said that they would meet with teams as a courtesy, but there was no formal mechanism established for this communication.

However it is unclear at this time whether teams sent to a particular school division will fully understand the problem and its history based upon the RFP written. If the department is to provide tailored services effectively, the regional field service representatives should meet or at a minimum speak with each team awarded a project in their regions, prior to the development of projects.

Recommendation (13). The regional field service representative should meet with each team or team leader sent to work on a project in their regions, before the development of the project. There should be communication about the field representative's knowledge of the needs of the region with staff members sent to provide assistance. The field representative may also wish to be involved in coordinating meetings with the appropriate local school division personnel and the project team, for more targeted and efficient service. The field service representative should be provided with regular status reports on projects in his or her area.

Travel Needs May Be Overwhelming. DOE central office staff travel to individual school divisions will increase, because regional office staff specialists no longer exist. Each time that a field-related RFP project is awarded to a team, it is likely that the team will travel to the school division to provide assistance. Since it is expected that the school divisions in the southwest portion of the State will require significant assistance, a great amount of DOE staff time may be spent traveling. This process will delay assistance to the school division, and creates more "down" time for DOE staff on the road. Also, this will pull DOE staff away from their duties at the office, increase nights away from home and thus expenses to cover the transportation and lodging costs.

DOE employees surveyed expressed concern over the increased travel required of them:

I am concerned that school divisions outside of a two and one-half to three hour trip may not receive the assistance and attention they deserve. In a five day work week one to two days would be needed for travel to places in far southwest.

* * *

The new department has eliminated all field offices and also all geographic areas of responsibility We will have much more down time as we spend whole days traveling to far areas and back again The expense to the department will also be much greater because of the increased mileage and over-night lodging and meals.

The expectation is that increased travel will be necessary to provide needed services to the field. However, in a time of fiscal constraint, travel funding may be limited. There is concern that tight travel budgets could dictate reduced service to the field, perhaps causing less service from the new department than the former department. Yet if the department's new operational arrangement causes an excessive amount of travel, then an adjustment of the operational arrangement may be required rather than an upward adjustment of the travel budget.

Recommendation (14). The department should perform a review to determine if, under the new DOE school divisions are receiving adequate amounts of customized, on-site assistance; and whether adequate levels of

assistance can be provided without excessive travel costs. If travel to the southwest under the current system proves costly, the department may want to consider a regional satellite office to be staffed with specialists, in the southwest portion of the State.

NEED TO DEVELOP A DETAILED PLAN FOR AGENCY OPERATION

This chapter has reviewed several areas regarding the new department's present and intended mode of operations. To some degree, the specific problems identified appear to be symptomatic of an overall lack of management focus and specificity about the operations of the new department. It would appear that the agency would be better able to measure and accomplish its mission if management would develop and utilize operational goals and objectives. Further, the agency would appear to operate better, and could improve morale, if management developed and communicated a detailed plan for daily operations consistent with the new organizational concept.

Need to Develop Operational Goals and Objectives

The department has taken steps to inventory all functions it plans to continue from the old department. Beyond that, the department plans to rely upon the submission of "IDEA" papers to determine the content of most of the agency's work. This approach may keep the department aware of the work desired by its clients. But what the department appears to lack is a mechanism for guiding this varied and complex work, coming from diverse environments throughout the State, to a unified focus.

The RFP process, for example, is inadequate to provide focus. Through the RFP process, DOE management plans to determine whether the work will be performed, as "IDEA" papers arrive throughout the year. It is hard to understand how decisions made in this ad-hoc manner, based upon the priorities at the time of review, can amount to a focused concept or plan for providing educational leadership for the State. Employee survey results reflect concern about this lack of focus. Employees do not know what the new department or their division will be doing, what projects will be available, or what their role or contribution will be.

If DOE is to be effective and meet its new mission, it appears that the agency will need to better define its operational goals and objectives. Clear goals and objectives that are aligned with the agency mission ought to be established on an annual basis for each of the agency's functional areas (for example, adolescent education) to provide for an agency-wide focus or plan. Divisional staff should have input into the plan, to increase its completeness and to increase employee involvement, understanding, and acceptance of the work that is expected.

In developing objectives for each functional area, the department should seek to anticipate and define as much of its workload as possible. Then the department should

determine the type and extent of services it is to provide. For example, the department may determine that a key objective for early childhood education is to provide tailored, on-site technical assistance to school divisions with the greatest need. The department may decide that 50 percent of the activities in the early childhood education functional area should center on providing on-site assistance to school divisions.

The department should set realistic targets for how much can be provided in each objective area, by weighing the amount of service to be provided, against on-going administrative functions that must be performed and the other various initiatives planned. So for example, the department may determine that for early childhood education, 50 percent of the agency's efforts should be spent meeting objectives to provide technical assistance in school divisions, 20 percent should be spent meeting specified objectives for programs for four year olds, and so on.

From an agency perspective, the department should also consider in its overall plan whether the proportion of DOE resources should be evenly split among the ten divisional areas, or whether in a particular year, more emphasis should be placed on early childhood education, for example, than on some of the other areas. So while objectives may be set within each functional area, objectives can also be set agency-wide as to which functional areas may or may not be emphasized during a particular year.

Using a system in which the department's priorities or objectives have been identified by functional area would help top management to make more focused decisions. This is particularly important, since top management appears to bear most of the burden of determining the work for the entire agency. Using the current system, management has little certainty in making decisions by submitted project whether a more appropriate project will be requested after the fact. If management were to obtain a comprehensive overview of the workload, and plan specific priorities in each division or functional area, it is likely that management will be better able to coordinate and focus its resources. It is also more likely that after conceptualizing how the work of the agency is to fit together to meet the agency mission, management will be better able to recognize and measure their achievements.

In addition, agency-wide planning of objectives would assist individual employees in planning their time, and their understanding as to how they can work to meet the agency mission. If staff do not know agency plans and priorities, then it seems likely that their ability to perform will be impaired.

Recommendation (15). The department should assess its potential workload each year. Based upon its workload, DOE should develop clear goals, objectives, and strategies for the agency and for each functional (division) area. Objectives should contain estimates or targets describing the amount of work effort to be spent on accomplishing each objective within each divisional area. Once the objectives are developed for each functional area, a review should be made from an agency perspective, as to whether priorities exist among each of the functional areas. Once completed, a planning document

should be developed and distributed to employees, and interested clientele. This document should be updated on an annual basis. The department should also develop a system to keep track of issued projects, to maintain appropriate work in each target area.

Need to Develop a Specific Plan for Daily Operations

When an organization undergoes reorganization, a detailed plan of action, listing steps to be taken on how to accomplish work, is important to the success of an organization. A plan of action should be concrete, and focused on "today". It is not enough to explain a vision, but specific actions must be defined for employees so that future issues are more tangible.

American Management Association literature also reports that most people within organizations seem to relate better to specific objectives rather than a broad vision. They report research has shown that:

although a high percentage of organizational leaders are "intuitive types", about three quarters of employees in most large organizations are 'sensation types'. These are present - rather than future-oriented individuals who do not use intuition as often as intuitive types and who are not as impressed by its results. The vision must therefore be supplemented by a clear plan, and the big picture by many small examples, if the majority of employees are going to accept them ("Managing Organizational Transitions," *Organizational Dynamics*, Summer 1986).

A review of the spring 1991 DOE employee survey indicates that specific information about how the new agency is to perform its work responsibilities was lacking. Employees generally indicated that they understood the concepts behind the new work processes, but have not understood how to translate that to their work, or to many of the agency's responsibilities that must be carried out. Some employees said:

There is a vision which has merit, but it has to be operationalized.

I have positive feelings about the team work, but the department's work is still unclear.

A change was needed and I hear some interesting things being proposed, however, unless the leaders get themselves organized, I fear this entire experiment will go down in flames.

It appears that many areas of operation within the new organization are ambiguous to employees. As has already been discussed in the previous sections, employees appear unclear about the RFP operations, and have little idea as to how their performance will be evaluated. Other areas requiring specificity are:

- Uncertainty about which functions are to be performed on an individual basis, and which functions are to be handled through the team process
- Employees who have substantial responsibilities for ongoing functions appear unsure about what is expected of them in terms of team project involvement
- Employees seem unclear about how they are to provide assistance to school divisions when called, and when they should involve the regional field service representative, as school divisions contact them
- Employees seem unclear about some internal agency operations. When assistance is needed from other units within the DOE, some employees appear unclear as to how to go about getting it under the new framework.

Such questions, even though they may seem quite detailed, need to be answered affirmatively for employees. They should be written down as guidelines for operation, so that employees know how to handle certain situations, and so that practices are carried out consistently. Furthermore, where appropriate, such guidelines for operation should be communicated to the local school divisions.

Employees should be involved on an agency-wide basis, in identifying areas of ambiguity in operations so that questions can be addressed. Solutions should be developed to clarify ambiguities uniformly across the agency. An implementation plan directing the reorganization from this point forward, which appropriately addresses the concerns outlined throughout this report and by DOE employees, should be developed.

Recommendation (16). The department should develop a detailed implementation plan explaining how the reorganized agency will operate. The plan should not just contain a vision of how the agency will function, but should include operational procedures which outline what work will be performed and how the agency will carry out all of its work and constitutional responsibilities. The department should present a summary of this plan to General Assembly standing committees on education before the 1992 Session. At that time, the department should be prepared with evidence to explain how and why these operational procedures are working effectively.

IV. Education Accountability after the Reorganization

Virginia's Constitution establishes a framework of accountability for the achievement of quality in education. Under that framework, the General Assembly is to "seek to ensure that an educational program of high quality is established and continually maintained." In addition, the State Board of Education is to determine and prescribe "Standards of quality [SOQ] for the several school divisions... subject only to revision only by the General Assembly." The standards are enacted into State law, and each school division is required to meet the SOQ requirements.

Because of the constitutional requirements, the General Assembly and the State Board of Education have a unique and particular interest in the compliance of local school divisions with State standards and regulations. The General Assembly provides substantial State funding for the Standards of Quality (more than two billion dollars in FY 1991), and has an interest in seeing that State funds are spent to help meet the SOQ.

The Board of Education is given the constitutional responsibility to:

make annual reports to the Governor and the General Assembly concerning the condition and needs of public education in the Commonwealth, and shall in such report identify any school divisions which have failed to establish and maintain schools meeting the prescribed standards of quality.

If the Board determines that a school division refuses to comply with any standard, the State's SOQ statute requires that the Board notify the Attorney General. In the name of the Board, the Attorney General is to file a petition for a writ of mandamus in the circuit court with jurisdiction "directing and requiring compliance with such standards."

The Board of Education itself does not have the resources to assess the conditions, needs, and compliance of school divisions. This was understood by the Commission on the Constitutional Revision, which wrote in its report that "the Board is to take the initiative, with the assistance of the Superintendent of Public Instruction," in effecting this provision. The Superintendent manages DOE, including its compliance resources. Prior to the reorganization, DOE had a Division of Program Compliance composed of three major sections: school accreditation and evaluation, administrative review, and special education compliance. In addition, other DOE units, such as the pupil transportation unit, performed some compliance activities.

Management of the reorganized Department of Education does not appear to call into question the constitutional framework of accountability. However, department management would like to see major changes in what the SOQ require of school divisions, by emphasizing outcome measures rather than input standards. DOE management has

also changed DOE's mission and sought to reduce the agency compliance role through the reorganization.

The department needs to chart a more balanced approach to ensuring educational accountability. This chapter raises four accountability issues related to the activities of the new DOE. These issues are the adequacy of DOE's intended short-term compliance role; the feasibility and time frame for developing a complete outcome accountability system; concerns that DOE may undervalue a comprehensive approach to standard-setting; and concerns that DOE has not operationalized its new mission.

DOE NEEDS TO CHART A BALANCED COMPLIANCE ROLE

DOE has indicated that an impetus for the reorganization was the need to have a new structure in place in order to accomplish what DOE management believes are necessary reforms in education. Part of the department's plans for reform include changes to the SOQ and the Standards of Accreditation, with the increased use of outcome standards and the elimination or reduction in process and resource standards. However, it appears that substantial time and work will be required before the department's proposed changes will become a realistic alternative for the Board of Education and the General Assembly to implement. Therefore, the Board and the General Assembly still have a need to see that existing standards are enforced.

The new department has taken two actions that raise questions about its capability and intent to seek school division compliance with existing standards. First, in the new "Compliance and Coordination" division, which contains nine federally-funded positions for Federal Program Monitoring, only two staff have been allocated by the department for State compliance activity. The two positions are to oversee the entire State's school accreditation process. This represents a decrease of three positions from the five positions the former department had in school accreditation and evaluation.

Second, during 1990-91, the department proceeded with the elimination of on-site reviews for compliance with SOQ, accreditation, and other selected State regulations. The plan to eliminate the reviews originated before the arrival of the current Superintendent. In February of 1990, DOE's former Superintendent, acting as Interim Superintendent, sent a memo to the school divisions announcing that as part of a transition to an outcome accountability system:

The administrative reviews of school divisions during 1990-91 will entail on-site monitoring of only the federally funded programs which the [department] has an obligation to monitor for compliance with applicable regulations. State required programs (Standards of Quality, Standards for Accreditation, gifted education, and selected regulations) will, for [department] purposes, be monitored via a single report This procedure is planned to eliminate the need for on-site monitoring in these areas

Before the reorganization, the department had four staff in administrative review services, and these staff coordinated and participated in on-site reviews for compliance with State and federal standards. Administrative reviews were ended by the new department in the fall of 1990, and the staff positions were eliminated during the reorganization process in March of 1991.

The new department has several arguments supporting its decisions to allocate only two positions to broad-based compliance efforts and to proceed with the elimination of on-site reviews of State compliance. The department believes that its attention should be focused on outcome accountability. The department also believes that adequate compliance can be achieved by reviewing data submitted by the divisions, as well as through the use of other DOE staff outside of the compliance division.

Specifically, the principal of a school submits an accreditation report annually through the division superintendent to DOE, on a form provided by the department. The report reflects the principal's assessment of whether the school meets each of the accreditation items. Also provided to the department are teacher assignment data (such as classroom sizes). The role of DOE's two school accreditation staff will be to review the data for areas of non-compliance. This is regarded by DOE as more efficient than on-site reviews. In addition, the department has other employees, such as pupil transportation staff in the support division, who may perform compliance work, such as checking to see that transportation safety standards are met. The division chief also indicated that the regional field service representatives will provide the State with an on-site presence and can report problems.

It is important that the department make efficient use of the data it collects for compliance purposes. It is appropriate for the department to have a capability to use the teacher daily assignment data to readily identify classes, for example, that appear to be operating with more pupils than are permitted by the standards.

However, the lack of a periodic on-site State presence to verify the data submitted and review for compliance with SOQ and accreditation items is an area of particular concern. At present, it appears that the school principal and the local superintendent control the outcome of the State's accreditation process, while the State has a minimal role. The department's apparent lack of an adequate compliance role needs to be addressed.

Recommendation (17). The Department of Education should report to the 1992 session of the General Assembly on the steps it will take to verify the self-reported local school division data submitted for the SOQ and accreditation processes.

Recommendation (18). The Board of Education should determine whether the department's compliance activities and capabilities are sufficient to meet its constitutional and statutory requirements.

COMPREHENSIVE OUTCOME ACCOUNTABILITY IS A DISTANT, UNCERTAIN GOAL

Since 1972, when the new Constitution was adopted, the State has generally moved in a direction of advancing and increasing the comprehensiveness of its standards of quality education. This appears to have been consistent with the vision of the Commission on the Constitutional Revision. The Commission's 1969 report states that with respect to the SOQ, "the language of 'high quality' is intended to convey the idea of a progressively higher statewide standard, achievable under present conditions, but to be advanced as resources and circumstances permit."

During the first 10 to 15 years of the SOQ, standards focused mostly on inputs (or minimum resources required), the availability of programs, and the use of processes, such as the need for public planning and involvement. In recent years, there has been an increasing emphasis in the SOQ on what is to be learned (for example, Standards of Learning), and outcome assessments, such as test results (for example, Virginia State Assessment Program Tests, literacy passport tests, and the development of criteria for the assessment of school effectiveness). Even during the recent period of increased focus on outcome assessment, however, input requirements, such as pupil-teacher ratios, have been retained and in some cases strengthened.

The new Department of Education has been restructured by the Superintendent of Public Instruction both to accelerate the recent trend in the SOQ of holding divisions accountable for performance, and to achieve an objective of reducing other types of standards and compliance activities. However, there are questions about the feasibility and time frame that will be required to develop an outcome system that is fully adequate for accountability purposes.

DOE Plans to Focus on Outcomes

The department's intended approach to outcomes appears to expand upon several recommendations from the February 1991 report of the Governor's Commission on Educational Opportunity for All Virginians. Recommendations of the commission included:

- that the SOQ and the standards of accreditation be redefined over the next five years, with a focus on outcomes
- that "ultimately, input standards should become suggested guides but not mandates"
- that DOE and others should "refocus and restructure the elementary level of education"
- that DOE should establish a pilot program to experiment with innovative school practices.

The department has a two-pronged approach to changing existing standards. The first component is the Outcome Accountability Program (OAP), which provides outcome indicators. It was formerly known as the Education Performance Recognition Program (EPR) during its period of development at Virginia Commonwealth University, but has been renamed OAP since the transfer of the program to the Department of Education.

The second component is a pilot program that is being developed under the auspices of the Superintendent's plan to "reconceptualize" education from kindergarten through grade 12. This component is intended to provide an approach to identifying instructional strategies that promote good student outcomes, as well as to provide a vehicle for changing the State SOQ.

Outcome Accountability Program (OAP). The Outcome Accountability Program is designed to provide a set of indicators for which data can be collected, and analyses performed, to compare the performance of school divisions. The OAP originated from a recommendation of the 1986 Commission on Excellence in Education that outcome indicator criteria be developed as a means of holding school divisions accountable. A project to address the recommendation was developed through a contract with Virginia Commonwealth University and in cooperation with the Virginia Department of Education.

As of April of 1991, data had been collected from all school divisions for 61 outcome indicators. Of these indicators, 11 were considered inappropriate for use for a variety of reasons, including problems with data quality. The remaining 50 indicators were presented to the Board of Education for their review in April, 1991. Twelve of these indicators were presented for informational purposes; the other 38 indicators are under consideration for school division accountability purposes.

Table 6 shows how the OAP indicators are divided into seven broad categories, and the number of indicators in each category that are currently under consideration. Examples of indicator statistics by which a school division or school may be held accountable include various test score statistics (such as SAT scores and the Virginia State Assessment Program Tests) under the category of "preparing students for college." Under the category of "preparing students for work," an indicator for students with no plans for further education is the percentage who have completed a vocational education training program.

The Board of Education expressed support for the OAP, and for the continuation of its development, at an April 1991 planning session. One of the activities underway is an assessment of data at the individual school level, in addition to the school division level. Also, the Board has indicated that "the Department is to continue working on strategies to incorporate the outcome indicators into the accreditation process."

Pilot Program to "Reconceptualize" Education. As part of the April 1991 Board of Education planning session, the department presented a proposal to "reconceptualize" elementary and secondary education. The proposal appears to include a strategy for replacing many current standards with outcome standards.

Table 6

**Categories and Number of Accountability Indicators
in the Outcome Accountability Program (OAP)**

<u>Category</u>	<u>Number of Accountability Indicators</u>
(1) Preparing students for college	8
(2) Preparing students for work	4
(3) Increasing the graduation rate	7
(4) Increasing special education skills and opportunities	5
(5) Educating elementary school students	5
(6) Educating middle school students	4
(7) Educating secondary school students	<u>5</u>
	38

Source: Department of Education materials on OAP, April-May, 1991.

The department's proposal involves a contract between the State and local schools that are part of the pilot. The pilot schools are to implement certain educational practices that are new to them, but consistent with the philosophy of the Board of Education and DOE. In exchange, the schools will receive training and support in the initiative from DOE, and additional funding from the State necessary to implement the initiative. Further, the State is to set aside existing State standards for the pilot schools during the time frame of the initiative.

The department will conduct research on the effects of the changes that are made in the schools' educational practices. Practices that are effective in producing good outcomes are to be identified relative to the conditions that appear to foster their effectiveness. Best practices could be written into the standards as instructional strategies to achieve expected outcomes (such as OAP). Process and resource standards could be eliminated.

DOE's proposal to the Board in April was to use a pilot approach involving approximately 45 schools, at an estimated cost of \$300,000 per school. That approach would require about \$27 million during the 1992-94 biennium. The pilots would be done on a phased process, and would be completed at the end of the 1994-95 school year.

Concerns About OAP and the Reconceptualization Pilots

There are several positive aspects to the OAP and pilot school proposals. First, the OAP, while still requiring significant work before its application, reflects progress and thought about what data can be acquired to assess the performance of schools and school divisions. Second, the OAP continues the State's trend to incorporate outcome indicators into the SOQ framework. Third, attention has been given to providing incentives within the OAP for all schools to seek improvement. Fourth, the reconceptualization pilot projects appear to provide a mechanism for experimentation with changes in instructional strategies, as well as for effecting changes in State standards.

However, there are also concerns about DOE intentions to seek a State focus on outcome indicators, and reduce, waive, or eliminate other types of standards. The OAP and the reconceptualization pilots are currently unproven, and if they are to be effected properly, they will require time to complete (five years or more). The reconceptualization pilots may encounter funding problems. In addition, there are concerns as to whether outcome indicators will be adequate to hold the field accountable.

Concerns About OAP. Respondents to the JLARC survey of local school division personnel indicated more support than opposition to the development and use of outcome indicators. When asked if appropriate outcome measures can be developed and should be used, 44 percent of the respondents said yes, 27 percent said no, and 29 percent said they were uncertain. The fact that 56 percent either said no or were uncertain, however, is reflective of a problem for this four-year program.

Central to the OAP are the indicators. In order to use the indicators to hold the school divisions accountable, the indicators must be appropriate to provide an accurate description of what goes on in the schools. Some local school division personnel surveyed have expressed concern about this issue.

Numerical data is limiting and only indirectly reflects affective outcomes which are also important.

* * *

The outcome measures have not yet been developed which would ensure a quality educational program. The development of a model process for quality would be a step in the right direction.

* * *

I cannot support a quantitative measurement that excludes qualitative material.

It appears that some local school personnel are not sure that the current battery of outcome indicators is sufficient. Concern has been especially raised about whether the Outcome Accountability Program adequately addresses special education. Only 35 percent of local special education program supervisors or directors responded that appropriate outcome indicators can and should be developed; 38 percent said no, and 27 percent had no opinion. A concern of special education personnel is whether outcome indicators are appropriate or adequately reflect the goals of special learning situations. Some local school personnel surveyed said of special education:

Some EPR items for special education are invalid (those based upon State testing) as many who are in special education do poorly in group assessment. EPR is not a good measure for special education.

* * *

There is going to be one big problem in special ed and [it] could result in LEAs placing emphasis on the wrong things just to look good.

* * *

To apply EPR to the special education student is a difficult task. Since this is a complex endeavor more time and effort is needed/the present EPR for special education is unacceptable.

Some local school personnel also expressed concern about OAP with respect to vocational education. Concerns regarding vocational education may stem from the fact that few of the OAP outcome indicators measure vocational outcomes; most of the OAP outcome indicators revolve around academic measures. Within the current OAP category of preparing students for work, there are only four accountability indicators. Two of those measures are of basic academic skills. Only two measures specifically relate to vocational education programs: percentage of vocational education completers, and completion of keyboarding or typing classes. Current OAP indicators do not appear adequate to hold divisions accountable for providing quality vocational education programs.

Concerns About the Reconceptualization Pilot Projects. The reconceptualization of education is, as its title implies, an ambitious proposal. The department says that its objective for the program is to develop Virginia public education into a "world class" education system.

The first step proposed by the department to achieve the objective is the series of reconceptualization pilot projects. Even under optimistic projections by the department, the evaluation and dissemination of results from its reconceptualization pilots will

not occur for three to four years. The department proposes one year for program development (1991-92); one year of "staging," or preparing school sites for implementation of the program (1992-93 for early childhood pilots, 1993-94 for pre-adolescent and adolescent pilots); and one year of "implementation," in which the pilots are actually conducted (1993-94 for early childhood, 1994-95 for pre-adolescent and adolescent).

The department also proposes to begin the process of revising State standards concurrently with the pilot projects. The department says that in 1993, it plans to "begin early childhood revisions to Standards of Quality, Standards of Accreditation" — yet in the middle of that year, only the staging of the pilots is to be completed, and implementation of the pilots will begin. The department also says that in 1994, it will seek "General Assembly approval of Early Childhood Standards of Quality changes" — yet at the time of the legislative session, the implementation of the early childhood pilots will only be approximately 50 to 60 percent complete. Analysis and dissemination of pilot project results will not have occurred. Policy-makers will not have data from the pilots to assess the desirability of changes. The department's proposal appears to rush the implementation of change to the standards.

DOE also has internal agency problems that call into question its readiness to approach this enormous undertaking. As discussed in Chapter III, agency morale is low and many DOE employees are not currently comfortable with the new mode of operation. There are questions about whether the department can successfully begin a massive effort to restructure education at a time when the agency itself is in need of repair and direction.

In addition, the Research, Policy Development and Information Systems branch of the department appears to be critically important to the development of the pilot initiative. Yet this branch is the least complete of the DOE branches after the reorganization. As of June 19, 1991, the department was without a branch deputy superintendent, without a division chief for research and evaluation, and without two of three quantitative analyst positions in the research and evaluation division. Only three positions in the assessment and testing division were filled (eight positions were either "on hold" or "to be established").

Further, the Board of Education has raised questions, that appear to deserve further consideration, about whether a totally fresh assessment is required. In April of 1991, the Board asked the department if information could be gained about successful instructional strategies from existing education research literature or from model schools. Department staff appeared to be ill-prepared to address that question. The Superintendent argued that a totally fresh approach is needed because while some effective educational practices may be known, not enough is known about when, where, and how these practices work. The Superintendent argued that the State must end its "one size fits all" approach to education.

THE DEPARTMENT MAY UNDERESTIMATE THE VALUE OF COMPREHENSIVE STANDARDS

Outcome indicators alone may not be sufficient to capture the needs of conditions of education. For example, through particular ability, diligence, or exceptional teaching, students may achieve well in spite of poor education conditions, such as overcrowded classes. It is not intuitive that the quality of education will be improved by allowing class sizes statewide to increase, which localities may choose to do for budget reasons if such State standards are eliminated.

As part of JLARC staff's review of the reorganization, opinions of local school personnel were solicited about the importance of required standards. The results suggest that at least in concept, local school personnel think that it is somewhat or very important for the State to have a broad range of standards (see Table 7). Over 90 percent of the survey respondents indicated that it is either very important or somewhat important for the State to have standards for what children should know, standards for what services or programs are provided, and standards on resources or inputs. To a lesser extent, 78 percent indicated that it is either very important or somewhat important to have standards on how services or programs are provided.

One of the reasons for support of the concept of comprehensive standards is the view that the educational conditions in school divisions may deteriorate in the absence of input standards. For example, a division superintendent wrote:

In the absence of standards many localities will not provide sufficient resources to allow a quality education program to be conducted. Children will not be given the attention that they require. Teachers will be overworked. Laboratories will be overcrowded and unsafe.

The General Assembly and the Board of Education will ultimately need to decide whether the State has continued reasons for prescribing input standards. Potential reasons include that input standards address the issue of basic educational opportunity, and address the issue of safeguards from particular unsafe or poor learning environments. The new department may need to continue to enforce these types of standards. Therefore, it would be prudent for the department to plan for a contingency in which the State pursues a comprehensive approach to standards that incorporates certain outcome standards into the existing framework of standards, including input standards.

Recommendation (19). DOE should develop a balanced and comprehensive approach to local school division accountability. DOE needs to involve department specialists and local school personnel in the development of more comprehensive outcome indicators for special and vocational education. The department should also fully consider the need to retain or increase some input standards, such as pupil-teacher ratios, in order to provide continued school accountability for learning conditions as well as outcomes.

Table 7

**Ratings on the Importance of State Standards
by Local School Division Personnel
(percentage of survey respondents)**

	Very Important (%)	Somewhat Important (%)	Not Important (%)
Standards for <u>what</u> children should know (N=103)	81	16	3
Standards for <u>what services or programs</u> must be available (N=103)	70	27	3
Standards for <u>how services or programs</u> are provided (N=103)	30	48	22
Standards <u>on resources or inputs</u> (N=103)	48	43	9

Source: JLARC analysis of survey data from local school personnel.

DOE HAS NOT ADEQUATELY OPERATIONALIZED ITS MISSION

The new DOE mission statement focuses on two themes upon which the organization could be held accountable: "to improve the delivery of essential educational services," and "to increase student learning and achievement." Unfortunately, the department has not yet explicitly specified what these items mean. This situation has several negative effects. DOE staff do not have a clear definition of the new agency's objectives to guide their efforts. State policy-makers, local education personnel, and citizens do not have a concrete view of what the new DOE intends to accomplish. Finally, until there is specificity and agreement as to what is expected of the new DOE, efforts to objectively hold the new DOE accountable probably will be unsuccessful. Instead, the success of the reorganization may be judged largely on perceptions, or measures that are identified on an ad-hoc basis by advocates or detractors of the new department.

The following is a discussion of some potential bases for holding the new department accountable. For the delivery of essential services, several key components of that objective are identified. For increasing student learning, explicit linkages are drawn between DOE's planned activities and its organizational mission.

Improving the Delivery of Essential Services

Concerning the delivery of services, “improvement” could have several components, including timeliness, quality, and extent of service. For this study, JLARC staff surveyed the satisfaction level of local school personnel with the “former” DOE’s services, to provide one potential benchmark. The results indicate a satisfaction level that was less than perfect, but was at a high enough level that the reorganized department will be challenged to exceed it. Local school personnel were asked: “Before the DOE reorganization, were you satisfied with the timeliness of the department’s response to your requests [for assistance, services, or information]?” The results were: 77 percent “all or most of the time”; 17 percent “some of the time”; and 6 percent “rarely or never” (N=103).

Local school personnel were also asked: “Before the reorganization, were you satisfied with the extent and quality of the department’s assistance in response to your requests [for assistance, services, or information]?” The results were: 72 percent “all or most of the time”; 26 percent “some of the time”; and 2 percent “rarely or never” (N=103).

The new DOE could improve upon these apparently high ratings in two ways. First, the new DOE could provide new services through the multi-disciplinary teams that go beyond what the local school personnel have experienced before, in terms of timeliness, quality, and extent. It is possible that local school personnel were relatively satisfied before the reorganization simply because they had not experienced an alternative. Second, the new DOE could provide services that are recognized by even a higher proportion of respondents as timely and satisfactory in extent and quality.

Also concerning delivery of services, the department’s mission discusses the delivery of “essential” educational services. Holding the new DOE accountable will entail holding it accountable for its determinations of what is essential. It appears that DOE has a number of approaches it intends to pursue to separate the essential from the non-essential. DOE plans to divest itself of certain educational functions, such as adult education, that it believes are more appropriately provided from an entity other than the department. Through the RFP process and other management decision-making, the department plans to decide which services require the commitment of DOE resources, and which do not. Through the “reconceptualization” pilots, the department intends to assess which instructional strategies promote positive educational outcomes, and eliminate standards and activities that are not linked to outcomes.

The department intends to have an evaluation component for its team projects. While it is important for the department to monitor the success of its projects, the preceding discussion indicates why this effort alone will be too narrow for agency accountability. A high proportion of agency projects could be of high quality and successful, yet many client needs could remain unmet, or met in an untimely manner.

Increasing Student Learning and Achievement

DOE could have defined its objective of increasing student learning and achievement by explicitly enumerating and linking the activities that would be under-

taken to reach the objective. The department has not taken this approach. Instead, it has taken particular activities and indicated that these activities relate back to the mission. This has made it difficult for State policy-makers to understand how the department's approach fits together. This section considers what "increasing student learning" may mean for accountability purposes, as constructed from the department's planned activities.

The department has related two major efforts, the Outcome Accountability Program and the reconceptualization of public education, back to the objective of increasing student learning. DOE has stated that OAP has two purposes: (1) "to focus accountability on outcome indicators," and (2) "to improve student learning." DOE has also stated that through the reconceptualization pilots, it plans to work with the field in putting educational strategies in place to improve student learning.

If the OAP and the reconceptualization pilots are pursued by the department (funding for the reconceptualization pilots is a question), then certain objectives need to be built into these programs in order for DOE to meet the goals of its mission. DOE can be held accountable for a process that meets these objectives.

To use its intended approach and be successful, DOE needs to define alternative instructional strategies that have a reasonably high probability of positively affecting outcomes. DOE needs to work with schools to secure their consent in testing these alternative strategies. Educational conditions in the schools testing alternative strategies must be sufficiently controlled to be able to identify the effects of the alternative strategies.

The results of the pilots must be objectively and accurately assessed. The practicality of OAP indicators will be tested by whether they are actually useful in this assessment. To the extent that the changes in instructional practices produce positive effects that outlast the length of the pilot, DOE will have made progress towards its goal of increasing student learning. DOE then needs to disseminate successful practices to other locations where those practices might also succeed.

Conclusion

It may be possible to hold DOE accountable to improving the delivery of services through a future survey of the satisfaction levels of local school personnel, DOE's most direct client base. In addition, it may be possible to hold DOE accountable for increasing student learning. This depends on the quality and comprehensiveness of data and documentation which are kept by DOE and the schools on DOE pilot studies and team projects whose object is to increase student learning.

Recommendation (20). The General Assembly may wish to direct a review of the reorganized department in approximately two years, to assess items such as: (1) local school division personnel satisfaction with the new DOE's provision of services, and (2) whether quality data are available on changes in student learning affected by DOE activities, or whether appropriate plans are in place for the collection of such data.

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Appendix A

Study Mandate

SENATE JOINT RESOLUTION NO. 57

Requesting the Joint Legislative Audit and Review Commission to study the organization, management, operations, and performance of the Department of Education.

Agreed to by the Senate, February 8, 1990

Agreed to by the House of Delegates, March 7, 1990

WHEREAS, the Department of Education is responsible for the implementation and administration of the program of public elementary and secondary education in Virginia; and

WHEREAS, the Governor's Commission on Excellence in Education has proposed significant initiatives in the area of public elementary and secondary education; and

WHEREAS, the Board of Education has recently received a consultant report on leadership challenges facing the Board of Education and the Department of Education; and

WHEREAS, the area of public elementary and secondary education was scheduled for review by the Joint Legislative Audit and Review Commission under the provisions of the Legislative Program Review and Evaluation Act by Senate Joint Resolution No. 35 in 1982; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission is requested to review the organization, management, operations, and performance of the Department of Education. The Commission's study shall include a review of the planning, budgeting, staffing, procurement, and policy and program development functions of the Department. The Commission shall also review the findings of the consultant report on leadership challenges facing the Board of Education and the Department of Education.

The Commission shall complete its work prior to November 15, 1991, and submit its recommendations, if any, to the 1992 Session of the General Assembly.

Appendix B

Department of Education Response

**THE REORGANIZATION OF THE
DEPARTMENT OF EDUCATION**

JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION

July 8, 1991

VIRGINIA DEPARTMENT OF EDUCATION

RESPONSE

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- II . COMPREHENSIVE REVIEW**
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Reaction to the Joint Legislative Audit and Review Commission Study of the Reorganization of the Department of Education

The Joint Legislative Audit and Review Commission staff began a study of the Department of Education and its reorganization in the fall of 1990. The nature of this study, which was to have been conducted prior to the inception of the reorganization, was to study the Department of Education in general. When the reorganization process was initiated, however, the study was changed from a study of the Department of Education to a study of the reorganization process.

The purpose of this preliminary reaction to the JLARC staff study is to give a general view of the report as it relates to the overall purpose and general comments, specific analyses of comments and findings, and reaction to staff recommendations.

GENERAL COMMENTS CONCERNING JLARC STAFF STUDY

Timing of the Study

The principal concern that the management staff of the Department of Education has with respect to the JLARC study is the time frame within which it was carried out. The reorganization of the department began in July of 1990, plans were announced in September of 1990, and the effort was substantially completed in the spring of 1991. The study conducted by the JLARC staff was carried out during the time that the reorganization was being planned and implemented. In fact, an employee survey, which was cited in the report, was conducted in late April of 1991, shortly after the downsizing occurred and ensuing layoffs were completed.

Needless to say, to conduct a comprehensive study of any process while it is taking place is difficult, because the "snapshot" taken is not of the organization as it will be operated, but of the organization as it is going through change.

A complete review of the efficiency and effectiveness of this restructured approach should be made in three to five years. At that time JLARC should return to its original plan to study an organization that is operating and has been operating in a specific way for a given period of time.

In addition, the management staff has discussed and shared with the employees of the Department of Education the thought of an evaluation of this process. In fact, plans are being developed to conduct such a study which will be longitudinal in nature and

deal with the salient issues of providing research and technical assistance to localities.

Conceptual Design

Although there has been criticism about the depth of planning that went into the reorganization of the department, we are of the opinion that the approach taken is conceptually sound. An extensive review of organizational literature, including organizational theory, was made prior to embarking on this effort. In fact, it is noteworthy that in the June 17, 1991 issue of Fortune Magazine there is a lengthy article describing what the private sector is doing to incorporate the same concepts into business practices in such companies as Xerox, IBM, Apple, Nike, and others.

It is striking that the very issues that large private-sector organizations are contemplating implementing have been by and large put in place within the Department of Education. When one reads the article, "The Bureaucracy Busters," a copy of which is attached (Attachment A), it is apparent that management practices at the Department of Education are on the leading edge in terms of innovative business approaches for the nineties and beyond.

Implementation Strategy

It has been stated that management moved too quickly on some aspects of implementation of the reorganization and moved too slowly on other aspects. The matter of the speed at which the effort proceeded is one of judgment and reasonable people can differ. There were no models to follow, there were no standards that would indicate how all of this should be done, and, therefore, it was conducted in the best way it could be conducted given the circumstances. It is easy in retrospect to say that something should have been done differently but, unfortunately, while the process was ongoing it was impossible to reflect retrospectively.

It has also been stated that the policies of the Commonwealth, particularly the Department of Personnel and Training, were abrogated as the reorganization was implemented. Again, all policies of the Commonwealth, including those promulgated by the Department of Personnel and Training, were adhered to and followed carefully. To be sure that the superintendent was proceeding within state policy, Department of Education staff engaged in considerable discussion with Department of Personnel and Training staff, as well as informal conversations with representatives of the Attorney General's office.

Understanding the Direction

Department of Education management is concerned that there is a lack of understanding of the objective of this entire process. The objective was not to simply reorganize the Department of Education and create a significant amount of trauma and concern in the process; rather it is a means to an end. It would, therefore, be prudent to revisit our overall objectives in this discussion.

We begin with the premise that there are significant problems in public education, not only in the Commonwealth but throughout this nation. Those problems are well documented and will not be repeated here, but suffice it to say that our system of education needs to be revitalized and needs to be made much more relevant than it is at the present time. We are simply losing too many children and creating an under class of citizens for the future that will not be able to function in a technological society.

Correcting these problems will be an awesome task. The present structure of education in terms of content and delivery will have to change in the next decade. In order to do that, it will be necessary to put in place systems that are not static in nature, but rather that are dynamic and change with the changing needs of students, and meet the myriad of challenges that face us all. Therefore, the direction that we would like to follow is as follows:

- In order for the Board of Education, the General Assembly and the Governor to make good decisions, the Department of Education must be in a position to provide information that is based on empirical data and sound information about best educational practices.
- To enable the Commonwealth to provide a system of education that meets the needs of its citizens, the Department of Education must be in a position to implement policy on a broad base to bring about change over time.
- In order to accomplish those two goals, it is imperative that this organization be redirected to become research oriented and be able to provide technical assistance to create change and not only to maintain the status quo.
- The role of the Department of Education, therefore, must be to support and maintain existing quality programs while we are in the process of rebuilding and redefining our efforts in education generally.
- This reorganization, and the way this Department of Education is organized, will facilitate both of those goals and enable us to maintain what we now have in a supportive fashion.

Issues Related to Employee Morale and Trust in Management

Two issues that are of considerable concern to the management at the Department of Education are reflected in a survey administered by the JLARC staff during the course of this investigation. These two concerns were a very low level of employee morale and a very low level of trust in the management of the organization. We agree wholeheartedly that these are major concerns and the Department of Education management will address them aggressively.

Several points bear mentioning, however, related to these two issues. These points are not offered as a rationale or an excuse for the problems that exist, but are provided to create some balance with respect to the job we have before us. These are as follows:

- There is no question that the morale of the staff and trust in management has decreased as a result of the reorganization. We would add, parenthetically, that based on interviews and surveys conducted in July of 1990, the morale of the department and trust in management were low at that point as well.
- In addition to the reorganization, however, other factors must be considered when broad issues such as morale and trust are called into question. These include, more specifically, threat of additional layoffs, potential furloughing of individuals, lack of salary increases, and the general downturn in economic conditions.
- Our contention is that morale and trust are multi-faceted dimensions of one's feeling of well being. A recent survey conducted on college campuses indicates that the morale of college faculty is virtually in the same state as that of DOE employees. And while college faculty were not subject to a reorganization, they did experience the other factors mentioned above, and that reflects the general malaise which is closely linked to the general economic conditions in which we find ourselves.
- It should also be noted, on a more positive note, that a commercially-developed survey, Concerns Based Adoption Model (CBAM), was administered to the employees of the Department of Education in November and in May. This survey, which was administered by an employee within the Department of Education, reflects a different picture than is reflected in the JLARC survey. Keep in mind the JLARC survey was very general in nature. CBAM, on the other hand, was quite specific. The purpose of CBAM is to measure employee reaction to change. It is important

to note that on these measures, in fact, there was substantial improvement in awareness of the process and acceptance of the change from November to May.

This is not offered as a counter balance to the JLARC survey, and we realize the JLARC staff has some questions about the survey, but it has provided additional information about employee attitude toward the reorganization. Specifically, that attitude is changing; whereas, morale is still quite low for a variety of reasons.

The management of the Department of Education states emphatically that morale of employees and trust in management are critical and important issues. We are committed to work diligently to improve both. In fact, despite the obvious concerns that exist, it is important to note that we have held many formal and informal sessions with employees, have provided extensive training programs, communicate on a regular basis, and will continue to do those things in the future.

At a recent employee meeting several employees said that morale was improving and that management should stop talking about morale problems and move ahead with the implementation of the program.

Future Directions

In order to bring to fruition the goals of the Board of Education, it is important to thoroughly understand the nature of learning, to develop specific goals that are outcome oriented, to put in place a rigorous curriculum, to design a system that accurately measures the results, and to be accountable to the public at large.

In order to accomplish these goals, we put in place an organization that is equipped with a research capability and a way to implement that research. We also had to develop a conceptual framework or vision of what needed to happen. We have to gain general support for that concept or vision if we expect it to be creditable. We have to demonstrate that our educational system as it now exists has flaws and encourage people to focus on the fact that there is a need for change. We must develop specific mechanisms to solve problems.

Our efforts have been to approach this task very methodically and painstakingly. In order to be successful, we believe that we had to first put an organization in place that can be responsive to the dynamic and changing needs of education and then set about the process of implementing new initiatives to change the fundamental nature of schooling.

That change will be slow and evolutionary. There are no quick fixes and no panaceas. We must be equipped to deal with issues on a well thought-out and planned basis, and to that end the Department of Education has been working with the Board of Education and the Secretary of Education to put in place those elements which will lead us in the right direction in the future. Unfortunately, this will take time. We do not envision our efforts as a quick fix to the needs of our children, but one that will be enduring.

The Nature of Change

The word change has appeared a number of times in this brief summary. Change is extremely difficult to bring about. It is resisted because there is a comfort level that people enjoy in approaching problems in the same way they did in the past. It has become obvious that perpetuating that which has not worked in the past will not enable us to create a system of education which has relevancy for the future. We seem to be running harder and harder and getting further and further behind.

As we look at the process of change we have embarked upon, there is a tendency to want to look at the bottom line. We want to know how much, in a conventional sense, efforts will save or cost especially since the motivation for change was programatic and not financial. It is difficult to reduce this process to an economic equation; although we add parenthetically that, in fact, considerable saving have been realized over the last eighteen months in the Department of Education. Our overall operating budget has been reduced by approximately four million dollars or over 20 percent. Undoubtedly, resources will have to be expended at the outset to reap rewards in the future.

Another element that must be considered is that an approach of this kind obviously has an element of risk. The largest risk of all is the potential that it may not work. One must ask then what is the best thing that can happen through this effort and what is the worst?

The best is easy to answer. We will be in a position to revitalize education and make it more relevant for the students of today and tomorrow. On the other side of the coin, in the event that it does not work, the worst thing that can happen is that we will be no worse off tomorrow than we are today. The worst case scenario carries no greater penalty than having tried and failed; and even then, there is a potential to learn a great deal from our mistakes.

Our efforts need support and encouragement. We are embarking on new approaches that are very different than ever before. Our request is that we simply be given the opportunity to make a difference. The management of the Department of Education is of the opinion that given that chance, working collaboratively with

the Board of Education, the General Assembly, the Secretary of Education, and the Governor, we will make that difference, and when we do, the real winners will be the students and citizens of Virginia.

II. COMPREHENSIVE REVIEW

This review contains a page-by-page response to the exposure draft report forwarded to the Department of Education on June 21, 1991. Specifically, this section contains a listing of the department responses to statements of fact or judgment expressed in the report prepared by the staff of the Commission.

**Item 1, p. 40 Introduction - The Reorganization
Process for the New Department**

The report notes correctly that 82 percent of the 200 positions that were filled competitively by March 1991 were filled by employees of the former department. The authors conclude that this occurred in part because many of the positions that were opened to the competitive hiring process were not substantially different from the former positions.

The department disagrees with this conclusion. While similar technical expertise is required in educational disciplines, the way in which these positions would work and interact within the team concept is completely different. Research, analytic and teaming skills are all unique dimensions of the new positions. In addition, previous class descriptions emphasized supervision skills which have been completely removed from the new education classes. A detailed analysis of the old and new class of positions compared by classification factors is attached for your review. (Attachment B)

**Item 2, pp. 41-44 Planned Time Frame Was Unrealistic to
Conduct Hiring Process**

Beginning on page 41 and continuing throughout this chapter, the proposition is advanced that DOE's use of a major competitive hiring process compromised the department's ability to complete the reorganization quickly. Concurrently, the report suggests that the speed of the reorganization took precedence over study and/or planning activities. At once, DOE management is scored for moving too slowly and moving too fast.

The fact is that management had to deal with this very dilemma. While it was important to move fast so that employees would be informed, the requirements of the process and the need for fairness demanded a slower deliberate pace. In the end, the actual process was a compromise to these competing concerns. Regrettably, no one can have it both ways. Compromises don't often satisfy either competing interest, but they are unavoidable consequences of complex operations such as this reorganization.

**Item 3, p. 42 By the planned January 1, 1991
completion date, . . .**

The report correctly notes that by January 1, 1991 only 38 of the planned 214 positions below division chief had been advertised and none of these were filled by the planned completion date.

While this is true, the report neglects to recognize that during the three months preceding January 1991, the

department did establish, then advertise and fill 11 key management positions and then plan, allocate, develop position descriptions, and establish approximately 225 positions in accordance with state personnel procedures.

Item 4, pp. 45-51 Management of the Reorganization Process was Inadequate

A great deal of this section emphasizes the need for such downsizing activities to be "strategically planned and skillfully implemented" by the "human resources" executive or team.

It is easy to second guess a process that had never been attempted or even contemplated within state government. There were no experts to seek advice from and conflicting opinions finally gave way to the development of an internal planning team made up of a small group of trusted management team members. Since early planning had established the procedure for abolishing jobs and competitively filling newly-established positions, it was impossible to involve a wide range of staff members in the planning process. To accomplish the involvement of a sufficient number of employees, management would have been vulnerable to charges of preselection and favoritism before the process got underway. Consequently, only a small group was formed to do the significant planning required by the personnel policies.

The preliminary report and this report argue for an extensive period of planning, preparation, and employee involvement. The reality is that this method would have required an 18 month to two year process that would have paralyzed the operation of the department. The current reorganization of DOE, on the other hand, has always been described as a means to an end, not an end in itself. The goal is to create a new, more responsive agency to serve local school divisions and students as soon as possible. It was a management decision to move as swiftly as possible rather than spend two years accomplishing this task. Only time will tell which course was correct. Employee surveys conducted within 60 days after the final layoffs seem to be a less than desirable method to evaluate objectively the ultimate results of these decisions.

Item 5, pp. 51-53**The Components of the New Organization are Untested**

The implication in this section is that there is no theoretical base for the RFP process or project orientation, interdisciplinary teamwork, and reduction in reporting levels. Actually the opposite is true. The concept of involving more employees in the development of creative solutions to educational problems is, at least intuitively, superior to assigning projects to individuals because they have fulfilled a specific space for the longest time. The June issue of Fortune Magazine contains an article, "The Bureaucracy Buster", that speaks eloquently to the theoretical and practical basis for the DOE reorganization (Attachment A).

Item 6, pp. 53-55**The Plan is Too Unfocused to Provide Direction**

The report suggests that there are two reasons for an apparent lack of structure in the organization; first, a transition report which has yet to be released, and; second, there is a desire to keep the department as unstructured as possible.

The transition report, prepared with involvement from virtually all personnel, will be completed within the next two weeks. It will answer questions about what and how the department will function in the future with respect to previous activities. We will provide copies of this report to JLARC members if that would be useful.

The expressed preference to encourage the competitive development of innovative ideas among all staff members as opposed to simply assigning responsibilities in the old bureaucratic tradition is an accurate observation. There is ample research and support for this preference and we remain confident that in time this approach will yield improved service and research.

Item 7, pp. 56-61**Many of the positions are similar to old ones.**

The JLARC staff examined the question of position similarity by comparing position descriptions from old and new DOE classifications. The stated methodology was to compare the statements of chief objectives of the positions to determine the degree of similarity. They further isolated 80 positions that had "substantially similar stated objectives." The report alleges that "the department appears to have created job descriptions that would meet DPT's approval at the expense of having a clear statement of what the position was intended to accomplish." The staff acknowledges that the new

classifications appear to be "within the letter of State policy"; however, the policy could have been interpreted to approve almost any position; and in the final analysis, DPT had to reply on "their own judgment."

We believe that the basis for comparison used by the staff was selective in nature; and the emphasis reported was placed only in the areas of similarity of the old and new positions without mention of the differences. Here and in other sections of the report, the writers emphasize that the basis of comparison of positions ought to be on the individual expertise required and the purpose of the position. They discount the importance of the method and process of how the work would be performed and the attendant skills associated with the new context. Many of the new positions within DOE admittedly require similar expertise in content discipline, but the way in which these positions function within an interdisciplinary context, addressing educational problems on a broader scale, make these positions different than previously established. These are legitimate differences recognized by DPT staff, and their professional judgments should not be minimized in this review. After all, that is what they are trained to do.

The report also raises a question on pages 60 and 61 as to whether or not an agency should be able to reorganize on the basis of only a change in work process and; thus, render employee protection and security as questionable.

DOE's response to this would be yes. The DOE reorganization was based on both changes of work processes and technical expertise. Even so, to preclude future reorganizations justified by major process changes would be too drastic a reaction to this reorganization.

**Item 8, pp. 64-66 Concerns About the Future of
Employee Protection**

The report states that employees had to reapply for positions that were similar to the positions they already had and that a methodology was used that largely rendered useless the provisions of the state layoff policy.

It is true that a procedure was used to "abolish and establish" positions which required employees to apply and compete for a similar number of positions. This procedure is consistent with personnel rules promulgated by DPT. If DPT felt that a position description was not significantly different from the former classification, they refused to establish the new position until modifications were made or the job was continued in its former class. A team of DPT classification specialists worked on this project and their work was meticulous and professional. The best evidence we can present to this fact is that there has only been one

grievance filed challenging any part of the process of classification and selection.

In terms of the methodology used rendered the provisions of the layoff policy useless, we can only say that the personnel rules permit such procedures to allow agencies to reorganize for greater efficiency. To rewrite the personnel regulations to prohibit this in the future is to severely limit the managerial flexibility of the agency head and freeze the bureaucratic seniority system which rewards mediocrity and discourages creativity and innovation.

As for the layoff policy, the management team scrupulously followed the letter of the policy. The Assistant Superintendent for Human Resources and Public Affairs met with every employee subject to layoff. To date there has been only one grievance filed with respect to this process.

Item 9, pp. 66-70 Personnel Cost Savings Were Low

The report correctly states that DOE management had said that the reorganization was not undertaken as an economic measure. Nonetheless, streamlining of operations and staffing economies according to the report, were a secondary and anticipated result of the process.

The department did anticipate savings from the reorganization of approximately \$672,000 or 3.3 percent of agency personnel costs. The report suggests that if the personnel savings are calculated from actually established personnel costs, the savings would be only 2.7 percent.

In a review of the JLARC analysis, the department staff noted that Table 2 on page 69 reflects "Planned Costs of \$598,568 and \$1,036,888 for New Unfilled Positions. . . and New Held Positions. . ." respectively. These costs were derived by assuming an average salary placement, which appears to be quite high based on our actual experience with similar graded positions. The assumptions appear to use a step 20 salary, which is an exceptional level. If the average step placement were adjusted to step 15, which DOE budget staff believes is accurate, then the listed amounts should be adjusted to \$525,233 and \$940,587 respectively. These two changes would result in a total net savings of \$713,900 or a 3.5 percent net savings of "Former" DOE Personnel Cost. This would, of course, compare favorably with the original estimates.

It should also be pointed out that the enumerated savings are only the personnel cost savings specified. In addition to these reductions, DOE has absorbed more than \$4 million in cuts from the original 1991-92 approved budget. These reductions total more than 20 percent of the originally approved budget and were accomplished in part due to the

efficiencies created by the reorganized structure.

Item 10, pp. 73-81 Employee Morale is Very Low

The report spends a considerable amount of time describing the employee morale issue and suggesting that employees have suffered due to two factors: the competitive hiring process and the apparent confusion about how employees are to carry out their responsibilities.

Management at DOE is both concerned about and sensitive to the personal adjustment of its employees to a drastically different work environment. JLARC has described the reorganization as "revolutionary" and "radical" in nature where employees are asked to think and work differently in a team-based environment. This is accurate and there is no precedent in state government with which to compare. The stabilization and restoration of this work force is going to take time and it is inappropriate to conduct a comprehensive evaluation of any program just two months after its implementation. Despite the early stages of this process, there are signs that employee attitudes are improving.

DOE management has conducted its own survey to monitor the effects of reorganization on employees. The Concerns Based Adoption Model (CBAM) was developed by Hall, Wallace, and Dossett (1973) at the Research and Development Center for Teacher Education at the University of Texas and their work is a recognized cornerstone for the facilitation of change within an educational environment.

CBAM consists of three components and is utilized after the change is made. It is a facilitation model designed to maximize the prospects for success while minimizing the change-related frustration of individuals. The Stages of Concern (SoC) is the primary diagnostic tool in the model. The SoC dimension of CBAM focuses on the concerns of individuals involved in change. One procedure for assessing individual concerns is the Stages of Concern Questionnaire (SoCQ) which recognizes seven levels of concern and groups them into three dimensions (see Attachment C, Table 1.1).

The three dimensions of Self, Task, and Impact represent the three stages individuals go through in adjusting to change. The process of adjustment to change begins with individual concerns for self and then gradually shifts toward concern for job task and then finally the concern for impact of the change on the results of the work.

The results of the two administrations of this survey in November and May indicate that employees are still more concerned with issues of self, yet a drop of twenty points has occurred since November and a slight rise in task issues is also evident. Management at DOE will continue to monitor

this trend and seek ways to support employees during the implementation of the teaming process. We remain confident that progress will continue as employees gain experience with the process and see the results of their efforts.

A copy of a report in the CBAM process is attached for your review (Attachment C).

In conclusion, the competitive hiring process was a necessary aspect of this reorganization and the confusion among employees about the new work pattern is a temporary consequence less than two months into the process. It is regrettable that morale is low, but the indications are that this is improving and will continue to improve as employees become familiar with the new system.

**Item 11, pp. 81-97 Method for Project Selection and
Work Management Seems Problematic**

JLARC has identified five problems that they believe will effect agency success. Most of these concerns center on time considerations and speculation on the conceptual basis of the RFP process.

In response to these criticisms, we can only respond that no one really knows how these new approaches will develop. It is easy to speculate that they will fail, but one cannot be certain that they will not result in a far more effective and efficient organization that is able to provide meaningful service to local educators through capturing the creative and innovative spirit of our employees. Time, process, and workload issues are emerging challenges which will be analyzed thoroughly and dealt with on a priority basis. If things bog down, appropriate modifications will be adopted. The bottom line will always be the enhancement of student learning and essential services to local school divisions.

**Item 12, pp. 97-101 No System for Employee Performance
Evaluation has been Developed**

The report identifies the lack of a written employee performance evaluation system as a major challenge for the department.

This is an important consideration in the near future, but a process has been developed and an implementation project should be approved within a few days. Emphasis to date has been on implementing the project process and emphasizing the team environment. Once these have been operationalized, the development of the performance evaluation system can proceed. It is felt that this new organization will be less dependent on external control systems used to motivate employees. Instead, employees will be encouraged to pursue educational problems with creative and innovative methods that provide their own intrinsic rewards and controls.

**Item 13, pp. 101-105 Staffing and Workload Allocations
Will Need Review**

The report raises several concerns with respect to the staffing levels in vocational education, teacher certification, and administrative support or clerical personnel.

It is important to state that initial staffing allocations were made based on specific rationale at the time of the reorganization planning period. These decisions are constantly subject to review and the observations found in this report will be carefully evaluated as the organization begins to mature.

Vocational education was reduced by approximately 50 percent from its former representation. It is important to know, however, that there was no rational basis for the number of positions present in the old organization, particularly when compared to the number of positions in other curricular areas. (For example, there were 8 staff in agriculture and 3 in mathematics.) It is still believed that the current allocation is sufficient to ensure a successful vocational education program in the future.

Teacher certification is an important area of service to localities. Originally it was felt that a new computerized certification system would allow certain staff economies. We are currently reevaluating this decision.

Clerical allocations in the new DOE represent roughly a four to one ratio of clerical staff to administrative personnel. This seems reasonable given state agency standards, and we are working with all employees to adjust to this new work environment. It is hoped that institution of a new work model for clerical support and voice mail capability will allow employees to function within these limitations.

**Item 14, pp. 108-114 Service Relationships with School
Divisions Remain Unclear**

The report suggests that there is a lot of uncertainty among local school personnel concerning the new approach to regional services. Three specific concerns are: (1) the adequacy of field service representation; (2) the need for field representative involvement with team project; and (3) the cost of travel.

It is important to understand that the new approach of establishing 10 regional representatives throughout the state was undertaken to improve essential services and to increase response time to schools and school divisions. By closing the three previous regional support centers and establishing the ten regional representatives, the department expanded the

coverage of representatives and saved nearly \$500,000 in personnel and equipment costs.

It is also important to note that the regional representative is not supposed to deliver services to localities, but rather be a conduit between the field and the department. The representative develops service models which can be delivered by department staff specifically trained and suited to the specific need. The representatives are in constant contact with the department and can bring to bear the needed service system through a simple telephone call or computer link.

Travel costs are not anticipated to be the problem cited in the report because whatever they are, they will be cheaper than adding additional people and resources throughout the state. We do not anticipate expanding these offices because the role and function is not based on a direct service delivery model.

Item 15, pp. 115-117 Need to Develop Operational Goals and Objectives

The report suggests that the RFP or project orientation of the new department is inadequate to provide a unified focus to guide the work of the department. The RFP process provides for a review of IDEAS of educational merit submitted by the field and priorities established by the management group based on a set of beliefs as to the mission of the department. The concern expressed in the report is that "It is hard to understand how decisions made in this ad-hoc manner, based upon the priorities at the time of review, can amount to a focused concept or plan for providing educational leadership for the State."

While this concern seems quite logical, it is born within the context of the traditional bureaucratic model. The view that top management establishes goals and objectives and communicates these to the rest of the organization is not the only model of effective management. This top-down model presumes that all knowledge and wisdom resides at the top of the organization and improves external and internal resources which could frame the initiatives of the organization. Within the new organization each IDEA is screened according to its relevance to improving student learning and the provision of essential services. Many IDEAS are not pursued and, consequently, priorities are established and made clear. We recognize the need for management to establish priorities but we don't wish to extinguish the efforts of anyone within the educational community from contributing to the solution of problems facing public education.

We think this system will work and we believe it will be at least as efficient as the previous top-down model of the past.

Item 16, pp. 118-120 Need to Develop a Specific Plan for Daily Operations

The report indicates a need for management to provide a detailed step-by-step plan of action so that employees can know how to accomplish work. Most people, it is stated, "seem to relate better to specific objectives rather than a broad vision."

DOE management agrees that more specific definitions are necessary to help employees understand management expectations and performance standards. A series of training programs have been conducted in the teaming process and the role of the team leader; and more such training opportunities are planned. As employees gain more experience on project teams, the process will become more evident and individual comfort will increase.

In the meantime, it is important to recognize that we do not wish to reinstitute the former model of tight control through the selective sharing of information. The purpose of this new approach is to reduce structure and free the creative capacity of the individual. We want to encourage risk taking and innovation and discourage controls and restrictions. In time, specific performance standards will emerge and become normalized.

Item 17, p. 123 DOE Needs to Chart a Balanced Compliance Role

DOE management agrees with this section. We should be required to justify our compliance monitoring system.

Item 18, pp. 126-127 Comprehensive Outcome Accountability is a Distant, Uncertain Goal

The report suggests that the department reorganization was designed to both accelerate the outcome accountability trend and to achieve an objective to reduce other types of standards and compliance activities.

In actuality, the objective for the standards is a mix of outcomes and inputs demonstrated to have a clear relationship to student achievement. The intent is to reduce standards to those that are meaningful, including input and outcome types, not simply replace inputs with outcomes.

Item 19, p. 128 Outcome Accountability Program (OAP)

The report implies that the OAP was designed to compare the performance of school divisions.

This has not been the purpose. According to the Standards of Quality, Standard 3D, the OAP is to measure localities against approved criteria. Further, it is to allow them to gauge their progress against their own past performance.

Item 20, p. 129 Pilot Program to "Reconceptualize" Education

"The proposal appears to include a strategy for replacing many current standards with outcome standards."

The demonstration grant component, which we assume "pilot program" refers to, of the World Class Education Initiative, is intended to test various practices in specific school settings for dissemination to other similar settings or those with similar problems to overcome. The focus will be on testing inputs for their effect on outcomes or student achievement. Over time, the demonstration projects may lead to inclusion in the standards of proven inputs if certain of them appear to be universally effective.

"The department's proposal involves a contract between the state and local schools that are part of the pilot."

JLARC is reporting on a plan that is in the process of being formulated by DOE and the Board of Education. In order for both to engage in the development of the initiative, the Board was provided initial thoughts for their consideration. In several instances, the Board preferred a different approach and changes were made. The use of contracts is an example of changes made over the past few months. The department plans to continue to work with the Board in this way on the development of this effort, and changes will occur over time.

"Further, the State is to set aside existing State standards for the pilot schools during the time frame of the initiative."

The plan being discussed provides for participating schools to request specific exemptions to specific standards in order to use different approaches for demonstrating purposes. This statement in the report is misleading in its implication that all standards would be waived for all schools receiving the demonstration grants.

Item 21, pp. 132-134 Concerns about OAP

The report questions whether the OAP adequately addresses special education.

Staff of the DOE who are informed advocates of special education contributed to the inclusion of these indicators for special education. While there are differences of

opinion about what should be expected academically of special education students, current knowledge indicates that expectations should be high, with individual exceptions made based on the nature of the handicapping condition.

"Current OAP indicators do not appear adequate to hold divisions accountable for providing quality vocational education."

The best outcome data for vocational education programs does not currently exist and is costly to collect - follow-up data on students' post-secondary work history related to their vocational course taking. The department is committed to improving these indicators.

**Item 22, pp. 134-36 Concerns About Reconceptualization
Pilot Projects**

"The department's proposal appears to rush the implementation of change to the standards."

The department disagrees with this statement. The demonstration projects, which we assume "pilot projects" to refer to, are only one component of the WCE initiative, and are proposed both to provide DOE and divisions with information about best practices and to assist local schools to improve student achievement.

Major changes to the standards will focus on statewide changes which are being considered now and need not await results of the school-specific demonstration projects. Such revisions as inclusion of the Common Core of Learning and the corresponding changes in the statewide assessment program will be ready for consideration in 1995. Again, 1994 as a target date has been revised since the proposal was initially discussed.

**Item 23, p. 136 DOE May Underestimate the Value of
Comprehensive Standards**

"Outcome indicators alone may not be sufficient to capture the needs of conditions of education. . . . It is not intuitive that quality of education will be improved by allowing class sizes statewide to increase, which localities may choose to do for budget reasons, if such state standards are eliminated."

Again, the department does not anticipate wholesale elimination of input standards, but a better mix of various standards which have been demonstrated through research and application, not just intuition, to have an impact on student achievement. There is a considerable body of research on how children learn and on how certain educational practices impact learning. This information is available to serve as a

basis of standard revision, and the department is in the process of identifying and documenting it in Virginia. For example, there is legitimate disagreement on whether the lowering of the pupil teacher ratio has any direct benefit to students ability to learn.

Reactions to Recommendations
of JLARC Report

Recommendation #1 - The Department of Personnel and Training should develop a comprehensive policy on agency reorganization.

Response: Pursuant to the recommendation that the Department of Personnel and Training develop a comprehensive policy on reorganization, it is suggested that such a policy provide the widest latitude for agencies to develop reorganizational plans that meet their specific needs. The Department of Education could be instrumental in helping to develop such a policy since our reorganization was probably the most extensive to be undertaken in recent years.

Recommendation #2 - The Department of Education job descriptions should be revised to more clearly and accurately reflect the role and function of each position.

Response: The Department of Education job descriptions were written clearly and accurately at the outset and reflect the roles and functions that we expect each position to carry out. Job descriptions are unique to each organization and we are of the opinion that they now reflect that which we intend to do. All job descriptions are reviewed periodically to insure they reflect realistic and clear expectations. During the transition period, we will be especially sensitive to making modifications that give employees a clear picture of their job responsibilities.

Recommendation #3 - The Department of Education should sharply curtail the use of the RFP process.

Response: The RFP process is still in its formative stages. It should be remembered that the first RFP was issued on April 4th of this year and, consequently, it is too soon to evaluate the effectiveness of the process. It is not our intent to sharply curtail the RFP process but to modify it as appropriate over time. If mid course corrections are warranted, they will be made.

Recommendation #4 - Management should create a formal and informal mechanism for listening to employees suggestions concerning the future of the work process.

Response: We have held countless meetings with employees, both formal and informal, to discuss a variety of issues and concerns. We will continue to do that. It has been very effective in terms of getting feedback.

Recommendation #5 - Since none of the work processes in the department have been tested for efficiency, internal audit should monitor the management of projects, team-based operations, and other daily work processes.

Response: It would seem most appropriate that the internal auditor conduct the kind of studies of the processes outlined in this recommendation.

Recommendation #6 - The department should develop an internal document arranged by divisions which lists all personnel, respective phone numbers,

Response: An effort to develop this type of document is currently being reviewed and was initiated prior to the issuance of this report.

Recommendation #7 - The Department of Education should develop an employee performance evaluation system.

Response: As has been mentioned in numerous employee meetings, the matter of personnel evaluation is high on our list and the recommendation represents our current planning.

Recommendation #8 - A reassessment should be made of the department's role in vocational education. . . .etc.

Response: The assessment of vocational education and other departmental functions will continue on an ongoing basis. We will involve local school divisions and the business community, as has been our practice in the past.

Recommendation #9 - Assessment should be made of the staffing of teacher certification.

Response: This recommendation is consistent with Department of Education management thinking, and we are currently in the process of doing a thorough review of the teacher certification personnel allocation.

Recommendation #10 - Department's Internal Audit should perform a review to determine if the system of allocating workload to secretarial support staff is working, and make recommendations for improvements.

Response: This recommendation is sound and we will proceed as suggested.

Recommendation #11 - Included in the department's new system of time allocation should be a method of recording time spent on project development.

Response: This is actually ongoing at the present time. An RFP was issued and we have accepted a proposal to develop a time and attendance system which covers all of these areas. The project team will submit its final report in August.

Recommendation #12 - After a reasonable period of time, the department's internal audit office should reassess and evaluate staffing levels.

Response: This recommendation is appropriate and we will proceed with it as suggested.

Recommendation #13 - Regional service representatives should meet with each team leader sent to work on a project in their region before the development of the project.

Response: This recommendation is sound and is being implemented.

Recommendation #14 - The department should perform reviews internally if increased need for travel from Richmond to the field has resulted in either reducing the amount of service or becoming inefficient and expensive.

Response: Such reviews are ongoing and will be reflected in future evaluations of the regional service system.

Recommendation #15 - The department should assess its potential work load each year.

Response: This is an interesting idea. I am not sure why we would want to carry on such a detailed analysis simply because things will change from year to year. As far as developing a system to track projects, we now have such a system on our local area network (LAN) and we will continue to develop it in terms of sophistication.

Recommendation #16 - The department should develop a detailed implementation plan explaining how the reorganized agency will operate.

Response: It is much too soon to develop such a plan. As a matter of fact, it is counter productive to the way we are operating at the present time. The department would be pleased to develop such a plan with the requested assurances by the 1993 session of the General Assembly.

Recommendation #17 - The department should report to the 1992 session of the General Assembly on the steps it will take to verify the self-reported local school division data submitted for the SOQ and accreditation process.

Response: The Department of Education will be happy to provide this information to the appropriate committees of the General Assembly.

Recommendation #18 - The Board of Education should determine whether the department's compliance activities and capabilities are sufficient to meet its constitutional and statutory requirements.

Response: A copy of this report will be provided to the Board of Education for their consideration. Moreover the members of the Board have already been briefed on the Department's commitment to continue to help the Board meet its constitutional and statutory responsibilities.

Recommendation #19 - DOE should develop a balanced and comprehensive approach to local school division accountability.

Response: This is a sound recommendation and we will proceed with it.

Recommendation #20 - The General Assembly may wish to direct a review of the reorganized department in approximately 2 years.

Response: It would appear that another study of the reorganization of the Department of Education would be warranted after two years, at a minimum, in order to allow time for the changes to be more fully implemented. The next review, if undertaken, should be in a three to five-year time frame.

Attachment A

Note: Attachment A referenced in the Department of Education response is an article entitled "The Bureaucracy Busters," which appeared in the June 17, 1991, issue of *Fortune Magazine*. Copyright laws prohibit the republication of the article here. However, persons interested in the article may wish to obtain it at the Department of Education, the JLARC offices, or a public library.

Main Differences in Class of Old and New Positions

<u>Classification Factor</u>	<u>Old</u>	<u>New</u>
Supervision	Relied on supervision given to drive the class designation (a.g., associate director, administrative director, etc.)	Higher classes based more on degree of technical expertise or/and experience with leading teams than the factor of supervision
Scope of Responsibility	Narrowly defined--related specifically to technical (education discipline) expertise	Broader--beyond single areas of technical expertise--more responsibility to educational needs in general
Impact of Actions	Narrowly defined	Impact of action is much greater; potential to impact education is greatly increased due to variety of projects
Complexity	Narrowly defined by discipline and class specification (position in old agency). Assignments predictable and repetitive	Greatly increased; projects more comprehensive requiring higher level of problem solving skills
Supervision Received	Many layers of supervision--limited independence	Few layers of supervision--much more individual and independence to determine project participation
Personal Contacts	Limited to few levels of school personnel	Much broader--contact with all levels of school personnel and agency officials in and outside state government
<u>Classification Factor</u>	<u>Old</u>	<u>New</u>
KSAs	Specific to position--usually a single area of education	Skills reflect broader knowledge of education as well as specific discipline expertise

CONCERNS BASED ADOPTION MODEL

The Concerns Based Adoption Model (CBAM) and the reconceptualization of the Department of Education were made for each other. CBAM is client-centered and identifies the special needs of the individuals immersed in a change process. When used in an educational administrative environment it necessitates a shift in thinking to a student-centered focus which many individuals find difficult during the early stages of change.

CBAM was developed by Hall, Wallace and Dossett (1973) of at the Research and Development Center for Teacher Education at the University of Texas and is a cornerstone for the facilitation of change within an educational environment. Used frequently by staff developers and it is incorporated in the recently developed ASCD's program, Assisting Change in Education (ACE).

CBAM consists of three components and is utilized after the change is made, regardless of whether it was a "top-down" or "bottom-up" decision making process. It is a facilitation model designed to maximize the prospects for success while minimizing the change-related frustration of individuals. The Innovation Configurations (IC) component focuses on the various components of the innovation and measures the extent to which the components have been adopted by individuals. The Levels of Use (LoU) component identifies the way individuals are actually employing new procedures. The Stages of Concern (SoC) is the primary diagnostic tool of the model.

The SoC dimension of CBAM focuses on the concerns of individuals involved in change. One procedure for assessing individual concerns is the Stages of Concern Questionnaire (SoCQ) (Hall, George, and Rutherford 1979). The SoCQ recognizes seven levels of concern and groups them into three dimensions (table 1.1).

The SoCQ was administered to Department of Education personnel on an voluntary basis on November 1, 1990, and May 15, 1991. Although respondent numbers were lower than expected, Department profiles indicating organizational patterns were generated (figure 1.1). Figure 1.1 indicates that even six months after the initiation of change, self concerns are still the primary focus within the department but that management and impact concerns are beginning to increase.

Personnel concerns ("My place in the new structure - will I be here to be part of the innovation? Nov. '90.) have abated by almost twenty points and are now within the range of the other self concerns. This will facilitate the further reduction of self concerns ("My personal future, that of my family, and the reduction in services this is going to cause." Nov. '90; "Concerned that rumors are the best way to learn how to get things accomplished. May '91) as the Department's reconceptualization moves forward. As shown by the graph, the variations in intensity validate the developmental nature of change.

The pattern and intensity of the graph (concerns) are directly affected by the nature of the change and the kind of assistance received during the change. Progression through the stages of concern is not absolute and everyone will not move through the stages at the same pace nor have the same intensity of concern at the various stages (table 1.2). That is, self concerns will be most intense early in the change process as indicated and abate with time, and task concerns ("Locating space for team meeting at appropriate times." May '91.) will rise. Impact concerns ("My major concern is all students will benefit educationally and socially from the re-organization." May '91) will heighten after task concerns have been reduced.

As indicated by the large one standard deviation numbers and differences between the two questionnaire results, individuals within the department are experiencing a wide range of intensity ("The effect that instability and lack of job security will have on morale and effectiveness of employees." "My concern is to quickly implement the reorganization so that we can begin to refine it to make it work better." Nov '90; "If I am responsible for my own actions, why am I not given the opportunity to make some decisions?" "I welcome the change. I am very pleased with this approach. I feel that this innovation will improve the achievement of students in the Commonwealth." May '91) related to the individual stages of concerns.

The above findings further substantiate the following assumptions about organizational change which have been verified through research and form the basis for the CBAM model:

1. Change is a process not an event.
2. Change is accomplished by individuals.
3. Change is a highly personal experience.
4. Change involves developmental growth.
5. Change is best understood in operational terms.
6. The focus of facilitation should be on individuals, innovations, and the context.

Figure 1.1. Stages of Concern: Typical Expressions of Concern about the Innovation

	Stages of Concern	Expressions of Concern
I M P A C T T A S K S E L F	6 Refocusing	I have some ideas about something that would work even better.
	5 Collaboration	I am concerned about relating what I am doing with what other instructors are doing.
	4. Consequence	How is my use affecting kids?
	3 Management	I seem to be spending all my time getting material ready.
	2 Personal	How will using it affect me?
	1 Informational	I would like to know more about it.
	0 Awareness	I am not concerned about it (the innovation).

Table 1.1

from: Hord, Shirley, et. al, *Taking Charge of Change*, ASCD, p 31, 1987.

TABLE 1.2

AWARENESS	INFORMATION	PERSONAL	MANAGEMENT	CONSEQUENCE	COLLABORATION	REFOCUSING
0	1	2	3	4	5	6
SOC STAGES						

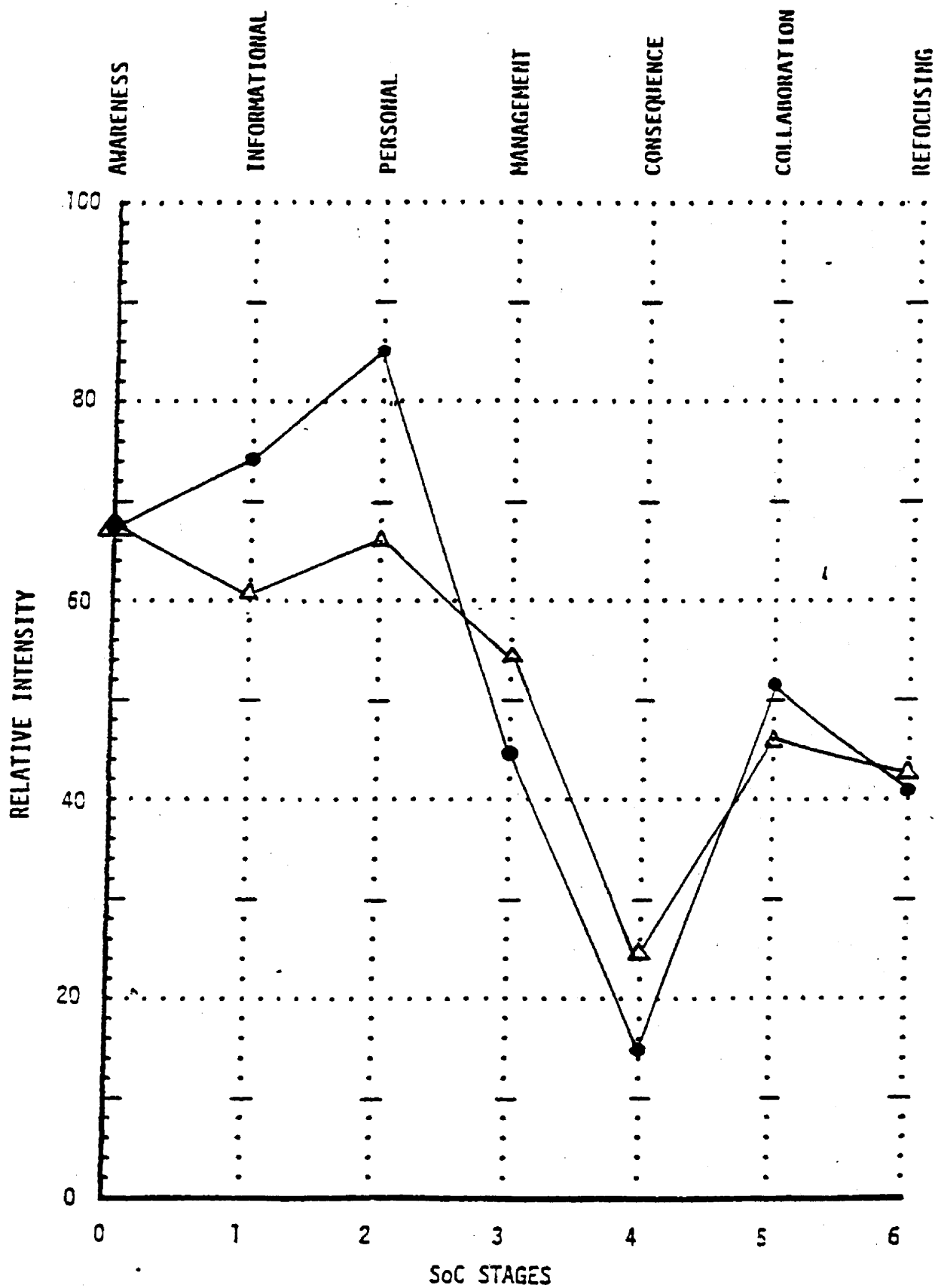
STAGE	0	1	2	3	4	5	6
n	69	69	69	69	69	69	69
\bar{x}	66.91	74.41	85.57	44.54	14.96	51.88	40.91
σn	20.30	19.85	15.02	26.90	18.83	33.02	27.99

Nov 1, 1990

STAGE	0	1	2	3	4	5	6
n	79	79	79	79	79	79	79
\bar{x}	67.38	61.20	66.46	56.22	25.00	46.44	42.41
σn	19.08	22.89	23.36	26.87	24.73	29.96	25.79

MAY 15, 1991

Fig 1.1



● Nov. 1, 1990

△ May 15, 1990

Appendix C

JLARC Staff Comments on the DOE Response

We are pleased to see that the department agrees with the JLARC staff report in a number of areas and with the recommendations. While the new department is in an early stage, some course corrections appear appropriate. Department actions to implement these recommendations should be helpful to the agency's development.

There are six broad aspects of the department's response that we think require further comment. These aspects are the context of JLARC's review of the department, the reorganization process, position classification factors, organization planning, the CBAM survey instrument, and the use of input standards.

Context of JLARC's Review

With regard to the timing of the JLARC review, the following needs to be considered. The Department of Education is an essential agency of State government. The Superintendent of Public Instruction initiated a process to bring "radical" change to that agency. We agree with the department that it is too soon to reach conclusions as to the ultimate efficiency or effectiveness of the new department. Nonetheless, members of the General Assembly have expressed interest in issues such as the progress, and cost savings, of the reorganization. Given the risks undertaken and potential implications of the reorganization, it seems fully appropriate for the General Assembly to request that the reorganization process be monitored and reviewed as to how this major change was being effected. An initial assessment of the reorganization in three to five years would have been too late to provide the General Assembly with information it was interested in, and to provide department management with what we think is needed feedback.

JLARC staff understand that the reorganization of the department is a means to an ends, and not an end in itself. The department response indicates that their direction — that is, of redirecting the organization toward a research and assistance orientation — is not understood. On the contrary, we think that at least since the Price Waterhouse report of 1989, if not before, a need to improve the department in these areas was understood. An interim briefing by JLARC staff on the reorganization, as well as this report, acknowledge the broad objectives of the reorganization. However, this JLARC report indicates a number of areas of concern as to how the department appears to have organized or oriented itself to achieve its objectives. In addition, the report indicates that the department needs to be more specific about how it intends to achieve its objectives.

The department's response indicates that in the event that the reorganization does not work, "the worst thing that can happen is that we will be no worse off tomorrow than we are today." That position constitutes a difference in assumption between the department and the JLARC staff report. While the former department had problems, in

our view it is certainly possible that an ill-defined or mismanaged new department could be worse than the old department. Survey responses of DOE employees and local school personnel indicate that many of them also foresee a possibility of harm if the new department performs poorly. The JLARC report identifies several aspects of the new department, including over-extensive use of the RFP and teaming processes, that could potentially set the department backward rather than forward.

The department says its "request is that we simply be given the opportunity to make a difference." The department has that opportunity, but to this date has given few specifics as to what it intends to do with the opportunity. The new department needs a supportive environment, but scrutiny and skepticism also have a place. Considering the magnitude of the implications with regard to the education system in Virginia as well as the need to ensure the appropriate spending of public funds, a balance must be struck. A question is whether the department can reasonably expect to maintain its opportunity to create change without the equal responsibility for more fully communicating specific plans for achieving its mission.

The Reorganization Process

The overall "reaction" section of the DOE response defends the department's implementation strategy for the reorganization. It is implied by DOE that the JLARC staff report is inconsistent, in criticizing the department for moving too quickly and too slowly. It says that there were no models to follow in designing the process, and the reorganization "was conducted in the best way it could be conducted given the circumstances." And it is indicated that all State personnel policies were adhered to and followed.

With regard to the issue of the speed of the reorganization, in our view the report makes two separate but not inconsistent points. The first point is that if the department had chosen a methodology for accomplishing the reorganization that did not entail a large-scale competitive hiring process, then it may have been possible to plan appropriately and accomplish the reorganization quickly (that is, by the department's self-imposed January 1 deadline). This point is legitimate, because the heaviest workload that delayed and impaired the reorganization was clearly due to the major competitive hiring process.

The second point, however, is that given that the department decided to conduct a major competitive hiring process as part of the reorganization, it was not realistic for the department to expect to complete the process quickly (or by the department's self-imposed January 1 deadline). This is the point that is addressed by Figure 8 in the report and the surrounding text. The draft details how the department worked hard and took steps to expedite the process to minimize late completion of the process. It appears to us that the department's own self-imposed deadlines of January 1 and February 1, however, raised false expectations as to how quickly DOE could accomplish what it wanted to accomplish, and helped bring upon itself criticism from others that the department was moving too slowly. JLARC staff have never made that criticism, and in fact at the

December interim briefing JLARC staff stated concern that given what the department intended to do, the department's revised deadline of February 1 did not appear adequate.

The next issue raised by DOE is the lack of models for a reorganization, and the contention that the reorganization "was conducted in the best way it could be conducted given the circumstances." There are materials in the organization literature, however, about conducting a reorganization or down-sizing. JLARC staff analysis of the DOE reorganization process uses criteria identified in organizational literature as important to a down-sizing process. The criteria are common sense items, such as: involve individuals with personnel expertise early and fully, develop tactical plans, handle the action with empathy and tact, assess organizational functions, define groups affected by the change, and determine and describe the positions needed. In several of these areas, what the department did serves as a case study of what not to do in conducting this type of process.

We do not agree that the items noted as planning problems in the JLARC report would have required a process of 18 months to two years to correct. For example, a number of problems could have been avoided by simply involving individuals with personnel expertise earlier and more fully in the process, such as in explaining the mechanism of personnel changes to the employees.

We also are not convinced that a planned approach would have delayed the department in getting to a point where it will be fully operational. For example, the department did not perform a complete assessment of functions before announcing its reorganization. This did not constitute time saved or work avoided—it constituted work postponed. The lack of a department plan to address these functions has caused substantial employee confusion, and some school division confusion, in the spring and early summer of 1991. Recently, the department has tried to increase its efforts to address the deficiency of not having the functional assessment completed. Under the path chosen by DOE, that process still is not complete as of July 1991.

With respect to whether the process abrogated State personnel policies, JLARC staff agree with the department. It appears that the letter of State policies were followed. Nonetheless, some important issues are raised by the process used, in that certain actions taken rendered provisions of the policy inapplicable, and the methodology used appears to be inconsistent with the intent or spirit of the current personnel policies.

As cited in the report, 82 percent of all employees hired competitively by DOE were employees of the former department. In some cases, the former occupants of what JLARC staff have noted as similar positions in the former DOE were the only applicants even interviewed for the new positions in the new DOE.

The department considers the new positions to be substantially different. If that were the case, then the outcome of the competitive process would appear to indicate a surprising breadth of qualifications of the employees of the former department (to be aptly suited for these substantially different positions), or to a disappointing lack of more qualified candidates from which to choose for these substantially different positions.

It still appears to us that the major justification for creating the new positions (the proposed "interdisciplinary context addressing educational problems on a broader scale") is a flimsy and vague reason for abolishing and establishing positions for which employees with the desired disciplinary expertise have to reapply competitively. The interdisciplinary emphasis could have been assimilated gradually into the job descriptions of the agency, and employees trained for increased team and proactive interdisciplinary work. In fact, a training program about working on teams is being offered by the department now to the members of the new agency, 89 percent of whom are from the former DOE. The reorganization action appears to establish a precedent that jeopardizes the future of employee protections. There is an endless variety of such changes in work processes or environment that management in other agencies could contemplate, with less than worthy objectives, to eliminate senior employees without regard to performance evaluations or providing training opportunities.

DPT performed its role within the letter of the policies. However, the issue of substantial similarity or substantial difference between positions is more a judgement call than a technical decision. Further, DPT is part of an administration that placed a high priority upon effecting the reorganization. DPT staff approved position descriptions in an average of 1.6 days. Almost two-thirds of the positions were approved in one day. DPT staff stated to JLARC staff during the process that they did not systematically compare new and old descriptions in conducting the review. As the JLARC report states, this was technically acceptable because DPT policy provides for changes in classification levels alone as a criteria for position abolition and establishment.

The low number of grievances filed as a result of the process (actually, there were three grievances filed as of May 9, not one as the department response indicates) is not very informative relative to the appropriateness of the classification decisions. As DPT states in its response to the JLARC report, the Grievance Procedure makes the "[e]stablishment and revision of wages, salaries, *position classifications*, or general benefits non-grievable." DOE employees interested in filing a grievance were made aware that classification decisions were non-grievable.

With regard to the morale issue and the connection between it and the reorganization, the open-ended responses of DOE employees to the JLARC survey clearly indicate that reorganization issues, not general State government salary freezes, malaise, or economic conditions, were the primary contributors to morale problems. The reorganization process in fact provided one of the few opportunities for salary increases in State government, with 60 employees of the former department being rehired to the new department at salary increases of 9.3 percent.

Finally, the difference between DOE's proposed adjustment of the personnel compensation savings and JLARC's figure is \$183,076 (\$713,900 compared to \$530,824). DOE indicates in the response that JLARC's compensation savings figure is too low because it appears that JLARC staff used too high a salary amount in estimating the costs associated with vacant and held positions in the new DOE. The data, however, are total personnel compensation figures, including salaries and fringe benefit costs throughout. The compensation amounts attached to the vacant and held positions were taken directly

from estimates of salary and fringe benefit costs provided by DOE's budget office in March. The budget office estimated VSRS, Social Security, and Group Life as 23 percent of salary; in addition, there is a benefit contribution for medical costs. Excluding the benefit amounts, the average salary estimated for these positions therefore falls within the grade 15 range that the department's response indicates would be accurate. Thus, we have not adjusted our compensation savings analysis based on the department's response.

Position Classification Factors

To illustrate personnel policy concerns or issues associated with the DOE competitive hiring process, the JLARC staff report focused on the similarity of positions and the point that the same employees were hired back to the positions. The department's Attachment B addresses DPT classification factors that were used to establish the classifications within which the new positions were approved. Attachment B in DOE's responses provides some generalizations about the old and the new department on these dimensions, as used to justify the establishment of the new classifications. The following are comments on the generalizations presented by DOE in its Attachment B.

Supervision Given. As explained by DPT, the "supervision given" factor compares the extent to which "position duties require leadership and coordination of the efforts of others [emphasis added]." DOE's Attachment B states that the old DOE classifications "relied on supervision given to drive the class designation", such as "associate director, administrative director, etc."

JLARC staff excluded positions at the director level and above in its analysis, because of the issue of supervisory responsibility "of others." Below the director level in the former DOE, employees were called "supervisors" — but this meant responsibility for leadership and coordination of program activities, not direct supervisory responsibility of others. All of the individuals listed in Exhibit 1 of the JLARC staff report are at the DOE program supervisor level (and all positions counted in the 88 position total are below the director level). Thus, the factor of supervision given does not justify the abolition of these former positions.

Scope of Responsibility. DOE states in its response that "many of the positions within DOE admittedly require similar expertise in content discipline." However, DOE states that the old DOE's scope of responsibility was narrowly defined to technical expertise, while the scope of new positions is broader, with more responsibility to educational needs in general.

We agree that the new DOE is acting in the direction of broadening the scope of the positions to perform more interdisciplinary problem-solving. But the issue is whether this should be a sufficient basis for job abolition and creation. The new DOE job descriptions as approved address the interdisciplinary concept, but do not minimize the importance of "single areas of technical expertise." The first unique work task or duty of each position in Exhibit 1 is to provide "highly complex technical and analytical

services directly to teachers and administrators in the field of[x] (emphasis added).” The KSAs for the new positions require considerable knowledge of the field, and demonstrated ability as specialists in the field.

Impact of Actions. It is not clear that the potential positive or negative consequences of high or low-quality service are increased, based on whether services are rendered more frequently by multi-disciplinary teams as opposed to by several content experts operating individually. The consequences of untimely or poor information and assistance could in either case be damaging to the school or school division. We understand the department’s hope that through its teams, it may be able to address some different and possibly broader issues than the former department may have addressed.

Complexity. Job descriptions of the former DOE generally enumerate a wide range of work tasks for individual positions. One abolished position from Exhibit 1, for example, was described to perform the following: participate in policy formulation; develop and disseminate guidelines; participate in the dissemination of “best practices” via technical assistance, training, and in-service; participate in collecting, analyzing, and disseminating information about the programs and students; develop and distribute curricula materials; provide technical assistance in the technology used to assist impaired students; participate in interagency task forces, study committees, councils, monitoring teams, and accreditation teams; and develop proposals and direct funded projects.

The area of expertise expected from most positions was predictable in the former DOE, as it is in the new DOE. However, the tasks enumerated in many former job descriptions do not fit the generalization of “assignments predictable and repetitive.” Assignments in the new agency may have reduced predictability — but in part this appears to be an unfortunate result of ad-hoc agency management decisions based on idea papers and without a broad plan for organizational activity.

Supervision and Personal Contacts. Under the job descriptions of the former agency, employees were expected to have substantial autonomy in responding to requests for information from localities and in initiating and planning technical assistance to school divisions. Many employees had broad contacts, through activities such as advisory boards, task forces, workshops, and conferences.

Under the new DOE, by comparison, contacts from school divisions are to go to field service representatives, and direct contacts from divisions to other staff are discouraged. Projects to provide technical assistance are now undertaken based almost exclusively on top management rather than employee decisions (the RFP process). Only division chiefs have the responsibility to prepare the project proposals which set the parameters for how the assistance will be provided. Teams are supposed to function with a high degree of autonomy in the new DOE, but job descriptions of the former DOE indicated substantial autonomy in working on assistance projects. Drafts of the department’s transition plans indicate an intent to eliminate much of the advisory board, task force, workshop and conference activity that formerly helped department employees establish contacts. It also is not clear that the new department will fund the travel

necessary to increase on-site assistance and contacts. In summary, it is not clear that employees in the new DOE will have more authority, independence, or personal contacts.

Knowledge, Skills, and Abilities (KSAs). The new DOE job descriptions contain language that explicitly recognize that the work processes of the proposed positions are to be different (multi-disciplinary team settings). The JLARC staff report recognizes this point, but questions whether this is sufficient basis to abolish and create positions. Otherwise, the KSAs of the new and former positions are very similar, with both placing prominence on knowledge of a particular field, demonstrated ability as a specialist, similar education and training, and similar levels and types of experience.

Organizational Planning

In announcing the reorganization plan in September of 1990, the Superintendent said that DOE "staff lacks focus. It has been asked to be all things to all people." It appears from reviewing the department's intended work processes, as well as employee reactions to those processes, that the Superintendent's observation remains accurate today.

The lack of focus at DOE is not simply based on the fact that the reorganized DOE is new and processes have not had time to be implemented. The real concern is current departmental management attitudes and practices. This is reflected in the department's response to our recommendation that it develop a detailed implementation plan explaining how the reorganized agency will operate. The department states:

It is much too soon to develop such a plan. As a matter of fact, it is counterproductive to the way we are operating at the present time.

The response pinpoints the JLARC staff concern. It appears that department management, in initiating a "new" department, has an obligation to identify its priorities, what it intends to accomplish, and how it intends to accomplish it. This can be accomplished through employee participation at all levels, and is not intended to be a top-down approach as the department suggests in its response. Instead of through planning, however, the department management intends to let its clients and staff know what its priorities are on a case-by-base basis.

We understand that DOE management believes that the approach it is taking is consistent with the less well-defined, problem-solving structure and approach that some private sector companies are moving toward (see Appendix A of the DOE response). On the other hand, the department needs to consider that the companies generally cited are well-established organizations that are moving to new approaches slowly on a carefully planned basis. Further, it should be noted that with private sector companies, accountability can be established by the bottom line of profits made. The companies have a clear-cut incentive to meet client needs and clients have a clear-cut way to express dissatisfaction (obtain the product elsewhere). DOE's mission, process, and environment are substantially different. A plan of action is a must, if DOE is to be held accountable.

CBAM Instrument

CBAM is an interesting approach to measuring a group's acceptance of an innovation in a school-based environment. The information gathered from the CBAM instrument may prove somewhat valuable to DOE management, in gathering insight about DOE employees. For example, it may be reassuring to find that DOE employees are passing through predicted stages of concern about the reorganization. However, there are several issues to be raised, shared by JLARC staff and an independent organizational development specialist, about using this instrument as a primary means of assessing the DOE reorganization.

First, the application of the CBAM instrument is proven for measuring change specific to a school-based environment. The instrument, though commercially developed, has been written for that purpose. Therefore, the way in which the instrument has been designed, including the specific wording of the questions, appears inappropriate for use by DOE. The questions are simply confusing, by relating to a school's organization, and not DOE's organization. A survey instrument's validity depends not only upon the care with which it is constructed, but the context within which it is used.

Second, the CBAM instrument does not measure different and distinct components of the DOE reorganization. The instrument measures personal acceptance of an innovation, which in this case is the DOE reorganization as a whole. However, there have been many innovations introduced by the DOE reorganization, and the CBAM instrument does not permit independent measurements of the many innovations introduced by DOE. For example, the instrument does not measure aspects of the RFP process, team-based operations, reduced levels of hierarchy, and so forth. Use of the word "innovation" does not allow for reliable feedback of the numerous and complex changes that employees are experiencing.

Third, the CBAM instrument is being administered by DOE itself. Thus, the responses obtained through the instrument are likely to be less candid than those from an instrument administered by an outside party.

Finally, as has been stated, the CBAM instrument gauges the intensity of employee concerns about innovative change. It does not assess employee opinion about whether they think the innovation is an improvement, or whether certain aspects of the innovation should be modified. Given that most of the new DOE operations have never been tried before in this kind of setting, some means to assess employee opinion about whether the innovations are working seems appropriate. In contrast to the CBAM instrument, the JLARC survey was designed with that purpose in mind.

Input Standards

It is encouraging to see in the department's response to the JLARC report that the department's "objective for the standards is a mix of outcomes and inputs demonstrated to have a clear relationship to student achievement."

There is substantial documentation of a recent dialogue on the elimination of input standards in Virginia. For example, in addition to the report of the Governor's Commission on Educational Opportunity for All Virginians, the minutes of the Board of Education meeting of April 1991 show this intent. The minutes reflect DOE staff testimony that:

the move away from inputs to outcome measures will simplify these [the SOQ and SOA] documents. The specifics on how school divisions arrive at their outcomes will likely not go into future SOQ or SOA except as menus for schools to choose what works best for its students.

The Superintendent was asked how the SOQ and SOA would change. The minutes indicate that the Superintendent said that:

standards would include instructional strategies that would support the expected outcomes. For example, the SOA, instead of specifying a pupil-teacher ratio of 1:25, would contain strategies that support the cognitive development of eight-year-olds The standards would be outcome-driven, with flexibility in terms of alternatives for reaching that expected outcome. The specified outcome would be the standard.

One DOE division chief indicated to the Board that it may need to retain some input standards for a while as a 'security blanket/comfort factor' for school divisions until the Board can complete the evaluation component.

Thus, the department's response indicating that inputs will continue to have the status of standards, and not just guidelines, appears to reflect a change in view and is encouraging. However, the department still needs to understand that the only input standards of value may not be just those that have a "clear relationship to student achievement." As cited in the JLARC report, input standards may also have value as guarantees of basic educational opportunity, or as safeguards from particularly poor or unsafe learning environments.



Appendix D

JUL 5 1991

Department of Personnel and Training Response
COMMONWEALTH of VIRGINIA

DORTHULA H. POWELL-WOODSON
DIRECTOR

Department of Personnel and Training

July 5, 1991

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Mr. Philip A. Leone
Director
Joint Legislative Audit and Review Commission
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Richmond, Virginia 23219

Dear Mr. Leone:

Thank you for inviting me to comment on the "exposure draft" of your report, The Reorganization of the Department of Education.

As a general comment, I am pleased that your report recognizes that the Department of Personnel and Training (DPT) followed policies and procedures in completing its work on this reorganization. With respect to the issues raised concerning the policies which governed the reorganization, I offer the following for your consideration.

It is generally recognized that agency management must have the latitude to organize to meet its operational requirements. As such, many of the policies governing position classification are geared to allow management to administer effectively and efficiently the affairs of the agency. For example, the Federal government may mandate that an agency provide services or programs not required previously. Therefore, agencies must have the flexibility to change their organizational structure in response to changing priorities, needs, or requirements. Developing policies that impose rigid, inflexible criteria may undermine agencies' ability to be responsive to these changing circumstances.*

*Even the state's Employee Grievance Procedure, recognizes this concept. It states that "management reserves the exclusive right to manage the affairs and operations of government." As a result, the Grievance Procedure makes the "[e]stablishment and revision of wages, salaries, position classifications, or general benefits" non grievable. (Emphasis added)

Mr. Philip A. Leone
July 5, 1991
Page 2

In connection with the reorganization of the Department of Education (DOE), you contend that some of the new positions established do not appear to differ significantly from positions that existed prior to the reorganization. Specifically, the report targets the stated purposes of certain new jobs as virtually indistinguishable from their predecessors, therefore rendering the new classifications suspect.

A change in a job's purpose may warrant a change in its classification. However, the determination of a job's classification encompasses more than an assessment of its purpose. For example, an analysis of other factors (e.g., complexity of work, supervision given, supervision received, scope, impact of actions, personal contacts, and knowledges, skills and abilities) is essential in determining the job's classification. By assessing these factors, a determination is made as to what is required in *accomplishing* the job's stated purpose. Our review of the DOE reorganization included an analysis of these other factors, and, in our opinion, justifies a different classification for each position that you questioned.

Thank you again for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, reading "Dorthula H. Powell-Woodson". The signature is written in a cursive, flowing style.

Dorthula H. Powell-Woodson

:lrp

Appendix E

JLARC Survey of DOE Staff

A major source of information for this report was a JLARC staff survey of DOE employee perceptions of the agency reorganization. The survey, conducted in May of 1991, was sent to a group of employees who had surveyed in the fall of 1990, as well as an additional group of 50 randomly selected staff from the reorganized department. The purpose of the survey was to solicit the perspective of employees who were rehired, not rehired, or were newly hired.

The new sample of 50 randomly chosen employees was stratified according to each of the substantive areas of the new organization. This included sampling from: (1) the student services branch, (2) administrative services, (3) research, policy development, and information systems, (4) secretarial and support staff, and (5) a miscellaneous category containing staff from areas such as the human resources staff and internal audit. The number of personnel sampled from each branch was proportional to the number of personnel hired for each branch. The response rate for this survey was 86 percent.

Two versions of the survey were distributed: one for "professional staff" and one for "administrative support staff" (secretarial and support staff). It should be noted that many of the same questions are contained on both the professional staff survey and the administrative support survey. This was done so that a complete data set could be created for questions that pertained to all staff in the new organization. Most of the data used in this report involves combined data from the two surveys.

The following pages in this appendix include copies of both survey versions. Reported next to each question is the total number of responses tallied for each response to each question.



COMMONWEALTH OF VIRGINIA
Joint Legislative Audit and Review Commission of
The Virginia General Assembly

**Questionnaire for
Selected DOE Employees
About the Reorganization of
the Department of Education**

During the 1990 legislative session, the General Assembly requested JLARC to conduct a study of the organization, management, operations, and performance of the Department of Education (DOE). This request was made prior to the department's change in leadership. After DOE made the announcement to reorganize, the study focus was shifted to concentrate on the reorganization.

In December 1990, JLARC staff completed an interim report on the status of the reorganization. Part of that report contained information about employee perceptions of the reorganization, gathered through a survey of 50 randomly chosen employees.

JLARC staff are now working to complete a final report on the reorganization, due to be completed this summer. This phase of the study also includes a survey of employees to assess their opinions about the reorganization. As part of that process, you were selected to receive this questionnaire. You were chosen either because you are part of a new random sample of 50, or because you were a member of the group that was surveyed in December. Regardless of how you were chosen to participate, we would like to obtain your views in several areas, including your experiences with the hiring process and your perceptions of the early implementation stages of the reorganization.

We hope that you will be frank in your responses. As with the previous survey, the data will be reported in aggregate form. No identifying information will be given to or shared with any agency. Your name is written on the top of the questionnaire to ensure that the surveys returned are from the sample drawn, and for follow-up purposes.

In answering the survey, please give each question your careful consideration. The information gathered on this questionnaire is very important to our study and we appreciate your time and effort. Please return the completed survey directly to JLARC in the attached envelope by Wednesday, May 15, 1991. If you have any questions, call Julie Cole or Bob Rotz at 786-1258.

- (1) What is the total length of time you have been working for the Commonwealth? *(Please fill in the boxes)*

years months Average = 10.48 years

- (2) What is the total length of time you have been working for the Department of Education? *(Please fill in the boxes)*

years months Average = 8.22 years

- (3) What is your current title and grade level? *(Please fill in the boxes)*

Title:	
Grade:	Average = 14.08

- (4) Have you held positions in the field of education prior to your current position? *(Please check the appropriate box)*

42 ☐ Yes [If Yes, please list the type of position(s) and length of service.]
8 ☐ No [If No, please go to question 5] N = 50

- (5) If you worked for the Commonwealth or the former DOE immediately prior to your new position with the department, how did your grade level change as a result of the reorganization? *(Please check the appropriate box)*

12 ☐ Increased
3 ☐ Decreased
32 ☐ Stayed the same
3 ☐ I did not work for the Commonwealth or the former DOE prior to my current position with the department

N = 50

The Hiring Processes of the DOE Reorganization

Questions 6 to 9 are applicable to employees who applied for one or more positions in the new DOE. If you did not apply for your position because your position was unaffected by the reorganization, please check this box ☐ and skip to question 10.

7

(6) How many positions did you apply for at DOE? *(Please fill in the blank)*

Average 5.93 Positions

N = 43

(7) How many interviews were you granted? *(Please fill in the blank)*

Average 2.05 Interviews

N = 43

(8) If you were granted one or more interviews with DOE, please go to question 8A. If you were not interviewed for any positions, please skip to question 9.

A. How many days advance notice were you given prior to the interview(s)?
(Please fill in the blanks)

Minimum days notice	<u>2.2</u>	Average	N = 37
Maximum days notice	<u>3.66</u>	Average	N = 28
Average days of notice	<u>2.98</u>	Average	N = 31

B. Did the department ask to reschedule any of your interviews? *(Please check the appropriate box)*

1 ☐ Yes

42 ☐ No [If No, please skip to question 9] N = 43

C. How many times were your interviews rescheduled?

1 Times rescheduled (one person had been rescheduled once)

(9) Please summarize your reaction to the hiring process, including any positive or negative experiences.

Early Implementation Stages

- (10) Please list the specific training or orientation related to the reorganization provided to you since you assumed your position. *(If you have not been offered any training or orientation please check this box ☐ and skip to question 12.)*

6

- (11) If training or orientation was provided, was the content and quality appropriate to your needs? *(Please check the appropriate box)*

23 ☐ Yes

12 ☐ No

6 ☐ No Opinion N = 41

Comments:

- (12) Which of the following items have made a significant contribution toward your understanding of what to do and how to function in your new position?
(Please check all the boxes that apply).

10 ☐ Position description

11 ☐ Job Interview(s)

27 ☐ Staff meetings

25 ☐ One-on-One meetings with superiors

12 ☐ Training or orientation sessions

13 ☐ Manuals, memos, or other written materials

4 ☐ Information on how your performance will be evaluated

17 ☐ Trial and error

15 ☐ Other _____

N = 50

- (13) Do you feel that you have been provided with enough information about the new organization and your position to allow you to perform satisfactorily? *(Please check the appropriate box)*

19 ☐ Yes

20 ☐ No

7 ☐ No Opinion

N = 46

Comments:

- (14) Since the reorganization went into effect have you had enough work to do? *(Please check the appropriate box)*

46 ☐ Yes

3 ☐ No

1 ☐ No Opinion

N = 50

Comments:

- (15) Since the reorganization took effect, on average how many hours per week have you worked? *(Please fill in the blank)*

47.14 Hours per week Average

- (16) Typically, do you feel that your current work assignments correspond with what you were hired to do? *(Please check the appropriate box)*

35 ☐ Yes

3 ☐ No

6 ☐ No Opinion

N = 44

Comments:

- (17) In how many team projects formed through the RFP process are you currently participating? *(Please fill in the blank)*

1.9 Team projects Average

(18) Based upon your work assignments to date, do you think that a greater proportion of your time is spent on team projects, or on work assignments outside of the team structure? *(Please check one)*

5 ☐ Team projects

35 ☐ Work outside of the team structure N = 48

8 ☐ About half and half

(19) Do you feel that you have timely access to your division chief to discuss any concerns you may have about your work or assignments? *(Please check the appropriate box)*

37 ☐ Yes

8 ☐ No

4 ☐ No Opinion N = 49

Comments:

(20) Based on your experience to date with the request for proposal (RFP) process, please check all statements that describe your experience. *(Please check all the boxes that apply)*

25 ☐ I was asked to be team member for a proposed project

12 ☐ I was asked to be team leader for a proposed project

19 ☐ I requested to be a team member for a project and was selected

7 ☐ I requested to be a team member for a project and was not selected

22 ☐ I participated in developing and/or writing a proposal

10 ☐ I was primarily responsible for writing a proposal

21 ☐ I have not had any direct involvement

6 ☐ Other _____

N = 50

Comments:

(21) Have you encountered any problems with coordinating any of the following:
(Please check all the boxes that apply, and describe why in the space below)

- 11 ☐ Work flow due to your participation on more than one project
18 ☐ Administrative support
11 ☐ Computer support
3 ☐ Travel arrangements
21 ☐ Incoming phone calls
9 ☐ Other _____ N = 50

Comments:

(22) Are there some functions that are not being performed that you believe should be performed in the new organization? (Please check the appropriate box)
[If Yes, please name those functions.]

21 ☐ Yes 5 ☐ No 21 ☐ No Opinion N = 47

Comments:

(23) In your opinion, is the new DOE advancing toward meeting the following objectives? *(Please check one box for each item)*

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion	
A. Minimizing bureaucracy	6 <input type="checkbox"/>	13 <input type="checkbox"/>	11 <input type="checkbox"/>	14 <input type="checkbox"/>	3 <input type="checkbox"/>	N = 47
B. Empowering non-management staff to make more decisions	5 <input type="checkbox"/>	15 <input type="checkbox"/>	14 <input type="checkbox"/>	10 <input type="checkbox"/>	3 <input type="checkbox"/>	N = 47
C. Channeling, prioritizing, and coordinating work	4 <input type="checkbox"/>	15 <input type="checkbox"/>	15 <input type="checkbox"/>	9 <input type="checkbox"/>	4 <input type="checkbox"/>	N = 47
D. Minimizing distraction from prioritized work	1 <input type="checkbox"/>	10 <input type="checkbox"/>	20 <input type="checkbox"/>	5 <input type="checkbox"/>	12 <input type="checkbox"/>	N = 48
E. Coordinating interdisciplinary functions across the agency for more effective problem-solving	3 <input type="checkbox"/>	16 <input type="checkbox"/>	12 <input type="checkbox"/>	1 <input type="checkbox"/>	16 <input type="checkbox"/>	N = 48
F. Effectively using the team approach to carry out the department's work	1 <input type="checkbox"/>	14 <input type="checkbox"/>	9 <input type="checkbox"/>	7 <input type="checkbox"/>	16 <input type="checkbox"/>	N = 47

Comments:

(24) What will be the process for your performance evaluation under the new DOE?

(25) Do you foresee any concerns about the performance evaluation process to be used in the new organization?

A. Do you think a process can and will be developed to provide for comprehensive evaluations of employees who are working on several teams? *(Please check the appropriate box)*

11 ☐ Yes

3 ☐ No

26 ☐ Maybe

7 ☐ No Opinion

N = 47

B. In your division, should the number of projects that an employee worked on be a factor in the evaluation process? *(Please check the appropriate box)*

4 ☐ Yes, it should be a major factor

15 ☐ Yes, it should be a minor factor

26 ☐ No, it should not be a factor

3 ☐ No opinion

N = 48

(26) Do you currently agree or disagree with the following statements about DOE?
(Please check one box for each item)

	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion	
A. Employee morale is good	0 <input type="checkbox"/>	6 <input type="checkbox"/>	15 <input type="checkbox"/>	24 <input type="checkbox"/>	4 <input type="checkbox"/>	N = 49
B. Agency leadership is good	3 <input type="checkbox"/>	15 <input type="checkbox"/>	8 <input type="checkbox"/>	11 <input type="checkbox"/>	13 <input type="checkbox"/>	N = 50
C. Employee trust in management is good	0 <input type="checkbox"/>	7 <input type="checkbox"/>	13 <input type="checkbox"/>	23 <input type="checkbox"/>	7 <input type="checkbox"/>	N = 50
D. Employees believe that the new organizational structure will function as intended	0 <input type="checkbox"/>	7 <input type="checkbox"/>	20 <input type="checkbox"/>	15 <input type="checkbox"/>	8 <input type="checkbox"/>	N = 50

Comments:

If you were employed by the Department of Education prior to January 1, 1991, please skip to question 29. If you were not employed by the Department of Education prior to January 1, 1991, please complete the survey through question 28, and then skip to page 11.

Employees Who Were Not Part of the Former DOE

(27) Were you directly contacted by DOE management and encouraged to apply for a position with the new department? *(Please check the appropriate box)*

0 ☐ Yes 3 ☐ No N = 3

(28) Prior to your hiring at the department, what percent of your time did you spend working on team projects? *(Please check one.)*

0 ☐ 75 percent and above
0 ☐ 50 percent to 75 percent
3 ☐ 25 percent to 50 percent
0 ☐ 25 percent and below N = 3

Former DOE Employees Only

(29) What effect, if any, did the changes in the effective date of the reorganization have on you? *(Please check the appropriate box)*

6 ☐ A positive effect
22 ☐ A negative effect
18 ☐ Made no real difference N = 46

Comments:

(30) Can you cite some examples in which the reorganized department is more efficient or effective than the former department? *(Please check the appropriate box)*

18 ☐ Yes 19 ☐ No 10 ☐ No Opinion N = 47

Comments:

(31) Can you cite some examples in which the reorganized department is less efficient or effective than the former department? *(Please check the appropriate box)*

32 ☐ Yes

3 ☐ No

11 ☐ No Opinion

N = 46

Comments:

(32) A. Overall, do you think the reorganized department will be:
(Please check the appropriate box)

14 ☐ More effective and efficient

16 ☐ Less effective and efficient

12 ☐ About the same as the former department

N = 42

B. If you feel that the new DOE will be **more effective and efficient**, do you think the improvement will be worth the effort put into the reorganization?
(Please check the appropriate box)

12 ☐ Yes

7 ☐ No

4 ☐ No Opinion

N = 23

Comments:

The following space is provided for any additional comments you may have about the issues raised in the questionnaire. *(Attach additional sheets if necessary)*

THANK YOU FOR YOUR TIME AND COOPERATION.
PLEASE MAIL THE COMPLETED SURVEY BY WEDNESDAY, MAY 15, 1991 TO:

JULIE COLE
Joint Legislative Audit and Review Commission
Suite 1100, General Assembly Building
Capitol Square
Richmond, Virginia 23219

- (1) What is the total length of time you have been working for the Commonwealth? *(Please fill in the boxes)*

years months Average = 13.07 years

- (2) What is the total length of time you have been working for the Department of Education? *(Please fill in the boxes)*

years months Average = 12.25 years

- (3) What is your current title and grade level? *(Please fill in the boxes)*

Title:	
Grade:	5.62 (average)

- (4) If you worked for the Commonwealth or the former DOE immediately prior to your new position with the department, how did your grade level change as a result of the reorganization? *(Please check the appropriate box)*

- 2 ☐ Increased
 4 ☐ Decreased N = 20
 14 ☐ Stayed the same
 0 ☐ I did not work for the Commonwealth or the former DOE prior to my current position with the department

- (5) Because of the reorganization, do you think training for clerical and support staff was needed? *(Please check the appropriate box)*

15 ☐ Yes 4 ☐ No 2 ☐ No Opinion N = 21

Was training provided to you?

5 ☐ Yes 15 ☐ No 1 ☐ No Opinion N = 21

If Yes, was the content and quality of the training appropriate to your needs?

5 ☐ Yes 0 ☐ No 0 ☐ No Opinion N = 5

Comments:

- (6) Which have made a significant contribution toward your understanding of what to do and how to function in your new job? *(Please check all the boxes that apply).*

5 ☐ Position description
8 ☐ Staff meetings
7 ☐ One-on-one meetings with superiors
2 ☐ Training or orientation sessions
5 ☐ Manuals, memos, or other written materials
0 ☐ Information on how your performance will be evaluated
5 ☐ Trial and error
6 ☐ Other _____ N = 21

- (7) Do you feel that you have been provided with enough information about the new organization and your job to allow you to perform satisfactorily? *(Please check the appropriate box)*

10 ☐ Yes 5 ☐ No 4 ☐ No Opinion N = 19

Comments:

- (8) Have you encountered any problems with coordinating the following:
(Please check all that apply, and describe why in the space below)

4 ☐ Work flow
4 ☐ Computer support
11 ☐ Incoming phone calls
1 ☐ Other _____ N = 21

Comments:

- (9) Since the reorganization went into effect, have you had enough work to do?
(Please check the appropriate box)

19 ☐ Yes 2 ☐ No 0 ☐ No Opinion N = 21

Comments:

- (10) Since the reorganization took effect, have you worked any overtime? (Please check the appropriate box)

11 ☐ Yes
10 ☐ No N = 21

- (11) Are there some administrative or secretarial services that are not being performed that you believe should be performed in the new organization?
(Please check the appropriate box) [If Yes, please name those services]

5 ☐ Yes 6 ☐ No 10 ☐ No Opinion N = 21

Comments:

- (12) In your opinion, is the new DOE advancing toward meeting the following objectives? (Please check one box for each item)

	Strongly <u>Agree</u>	<u>Agree</u>	<u>Disagree</u>	Strongly <u>Disagree</u>	No <u>Opinion</u>	
A. Minimizing bureaucracy	0 <input type="checkbox"/>	4 <input type="checkbox"/>	12 <input type="checkbox"/>	0 <input type="checkbox"/>	4 <input type="checkbox"/>	N = 20
B. Empowering non-management staff to make more decisions	1 <input type="checkbox"/>	7 <input type="checkbox"/>	7 <input type="checkbox"/>	1 <input type="checkbox"/>	4 <input type="checkbox"/>	N = 20
C. Channeling, prioritizing, and coordinating work	0 <input type="checkbox"/>	8 <input type="checkbox"/>	3 <input type="checkbox"/>	0 <input type="checkbox"/>	8 <input type="checkbox"/>	N = 19
D. Minimizing distraction from prioritized work	1 <input type="checkbox"/>	4 <input type="checkbox"/>	4 <input type="checkbox"/>	2 <input type="checkbox"/>	8 <input type="checkbox"/>	N = 19

(continued on next page)

(12 continued)

	<u>Strongly</u> <u>Agree</u>	<u>Agree</u>	<u>Disagree</u>	<u>Strongly</u> <u>Disagree</u>	<u>No</u> <u>Opinion</u>	
E. Coordinating interdisciplinary functions across the agency for more effective problem-solving	0 <input type="checkbox"/>	4 <input type="checkbox"/>	4 <input type="checkbox"/>	1 <input type="checkbox"/>	10 <input type="checkbox"/>	N = 19
F. Effectively using the team approach to carry out the department's work	0 <input type="checkbox"/>	7 <input type="checkbox"/>	3 <input type="checkbox"/>	1 <input type="checkbox"/>	8 <input type="checkbox"/>	N = 19

Comments:

(13) What will be the process for your performance evaluation under the new DOE?

(14) Do you foresee any concerns about the performance evaluation process to be used in the new organization?

(15) Do you currently agree or disagree with the following statements about DOE?
(Please check one box for each item)

	Strongly <u>Agree</u>	<u>Agree</u>	<u>Disagree</u>	Strongly <u>Disagree</u>	No <u>Opinion</u>	
A. Employee morale is good	0 <input type="checkbox"/>	1 <input type="checkbox"/>	11 <input type="checkbox"/>	8 <input type="checkbox"/>	0 <input type="checkbox"/>	N = 20
B. Agency leadership is good	0 <input type="checkbox"/>	4 <input type="checkbox"/>	10 <input type="checkbox"/>	1 <input type="checkbox"/>	5 <input type="checkbox"/>	N = 20
C. Employee trust in management is good	0 <input type="checkbox"/>	2 <input type="checkbox"/>	10 <input type="checkbox"/>	7 <input type="checkbox"/>	2 <input type="checkbox"/>	N = 21
D. Employees believe that the new organizational structure will function as intended	0 <input type="checkbox"/>	3 <input type="checkbox"/>	11 <input type="checkbox"/>	4 <input type="checkbox"/>	2 <input type="checkbox"/>	N = 20

Comments:

(16) What effect, if any, did the changes in the effective date of the reorganization have on you? *(Please check the appropriate box)*

- 1 ☐ A positive effect
 9 ☐ A negative effect
 11 ☐ Made no real difference N = 21

Comments:

(17) Can you cite some examples in which the reorganized department is more efficient or effective than the former department? *(Please check the appropriate box)*

4 ☐ Yes

9 ☐ No

7 ☐ No Opinion N = 20

Comments:

(18) Can you cite some examples in which the reorganized department is less efficient or effective than the former department? *(Please check the appropriate box)*

11 ☐ Yes

3 ☐ No

6 ☐ No Opinion N = 20

Comments:

(19) A. Overall, do you think the reorganized department will be:
(Please check the appropriate box)

1 ☐ More effective and efficient

6 ☐ Less effective and efficient

12 ☐ About the same as the former department

N = 19

B. If you feel that the new DOE will be **more effective and efficient**, do you think the level of improvement will be worth the effort put into the reorganization? *(Please check the appropriate box)*

3 ☐ Yes

1 ☐ No

5 ☐ No Opinion N = 9

Comments:

The following space is provided for any additional comments you may have about the issues raised in the questionnaire. (*Attach additional sheets if necessary*)

THANK YOU FOR YOUR TIME AND COOPERATION.
PLEASE MAIL THE COMPLETED SURVEY BY WEDNESDAY, MAY 15, 1991 TO:

JULIE COLE
Joint Legislative Audit and Review Commission
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